

COMMENT

THE SCOPE OF ELEVENTH AMENDMENT IMMUNITY FROM SUITS ARISING UNDER PATENT LAW AFTER *SEMINOLE TRIBE V. FLORIDA*

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INTRODUCTION

Prior to the Patent and Plant Variety Protection Remedy Clarification Act ("PPVPRCA"),¹ the Eleventh Amendment² afforded states immunity from actions arising under the federal patent laws.³ A patent holder had no remedy if a state⁴ infringed or otherwise violated his patent because such actions fall exclusively under federal jurisdiction and cannot be tried in state court.⁵ Nor could a patent

1. Pub. L. No. 102-560, 106 Stat. 4230 (1992) (codified in part at 35 U.S.C. §§ 271, 296 (1994)).

2. The Eleventh Amendment states that "[t]he judicial power of the United States shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State." U.S. CONST. amend. XI.

3. See, e.g., *Chew v. California*, 893 F.2d 331, 336 (Fed. Cir. 1990) (ruling that the state was immune from a patent infringement suit under the Eleventh Amendment); *Ciba-Geigy Corp. v. Alza Corp.*, 804 F. Supp. 614, 625-26 (D.N.J. 1992) (holding that Congress had not abrogated state immunity from patent suits and the state university had not waived its sovereign immunity); *Kersavage v. University of Tenn.*, 731 F. Supp. 1327, 1330 (E.D. Tenn. 1989) (holding that a state university was immune from a patent infringement suit).

4. For the purposes of this Comment, a "state" refers to a state, a state agency, state officials, and state instrumentalities including state universities. See generally *Regents of the Univ. of Cal. v. Doe*, 117 S. Ct. 900, 902-05 (1997) (discussing several federal court decisions on whether state instrumentalities are "arms-of-the-state" for Eleventh Amendment purposes, but declining to address the issue).

5. Although the Eleventh Amendment only affords states immunity from suits in the federal court system, a citizen can still bring an action against a state in state court. However, if a state violates a law over which federal courts have exclusive jurisdiction, such as patent, copyright, bankruptcy and antitrust law, a citizen has no remedy in a state court. See 28 U.S.C. § 1338(a) (1994) ("[T]he district courts shall have original jurisdiction of any civil action arising under any Act of Congress relating to patents, plant variety protection, copyrights, and trademarks. Such jurisdiction shall be exclusive of the courts of the states in patent, plant variety, and copyright cases."). This anomaly is problematic. Justice Stevens remarked:

holder sue a state for infringement in federal court because, under the Eleventh Amendment, states are considered sovereign entities within the federal system and generally cannot be sued by individuals in the federal court system.⁶

In 1992, Congress attempted to rectify this problem by enacting the PPVPRCA to abrogate⁷ state immunity from federal patent suits. Using the Supreme Court's judicial interpretation of Eleventh Amendment immunity as a guide,⁸ Congress expressed its intention to extend federal jurisdiction over states in "unmistakably clear"⁹ language: "Any State . . . shall not be immune, . . . from suit in Federal court by any person, . . . for infringement of a patent . . . or for any other violation under [the patent] title."¹⁰ Congress attempted to create a uniform system in which citizens, states, and the Federal Government are similarly situated under the patent laws.¹¹ Congress felt that such uniformity was essential to fulfill its constitutional obligation to promote innovation and protect the rights of patent owners.¹²

As federal courts have exclusive jurisdiction over cases arising under . . . federal laws, the majority's conclusion that the Eleventh Amendment shields States from being sued under them in federal court suggests that persons harmed by state violations of federal copyright, bankruptcy, and antitrust laws have no remedy.

Seminole Tribe v. Florida, 517 U.S. 44, 77 n.1 (1996) (Stevens, J., dissenting), *overruling* *Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989).

6. See, e.g., *supra* note 3 (providing examples of cases in which states were immune from patent suits).

7. To abrogate means to "annul, cancel, revoke, repeal, or destroy . . . to repeal a former law by legislative act, or by usage." See BLACK'S LAW DICTIONARY 8 (6th ed. 1990).

8. As discussed in Part I of this Comment, the Court continually has altered its interpretation of the scope of state immunity since it first expanded the scope of the Eleventh Amendment in *Hans v. Louisiana*, 134 U.S. 1 (1890).

9. See *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 241 (1985) (establishing the standard that Congress must state its intent to abrogate Eleventh Amendment immunity in unequivocal terms in the language of the statute).

10. 35 U.S.C. § 296(a) (1994). Furthermore, the language of the statute clearly states Congress' intent to treat private parties and states equally. See *id.* § 296(b) (availing "[r]emedies . . . to the same extent as such remedies are available for such a violation in a suit against any private entity"); *id.* § 271(h) (subjecting "[a]ny State . . . to the provisions of this title in the same manner and to the same extent as any nongovernmental entity").

11. See S. REP. NO. 102-280, at 9 (1992), *reprinted in* 1992 U.S.C.A.N. 3087, 3095 ("This legislation will rectify the situation and provide uniform protection throughout the patent and trademark systems."). Even the Federal Government has consented to patent suits in federal courts. See 28 U.S.C. § 1498(a) (1994) ("Whenever an invention described in and covered by a patent of the United States is used or manufactured by or for the United States without license . . . the [patent] owner's remedy shall be by action against the United States in the United States Court of Federal Claims . . ."). But cf. *infra* note 155 (discussing limited liability of the United States in patent suits).

12. See S. REP. NO. 102-280, at 9 (explaining that promotion of innovation depends on uniform application of patent law, where states are as liable for violations as Federal Government and private citizens); see also U.S. CONST. art. I, § 8, cl. 8 (stating that Congress shall have the power "to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and

Despite Congress' attempt to abrogate Eleventh Amendment immunity from patent suits,¹³ the Supreme Court's recent decision in *Seminole Tribe v. Florida*¹⁴ has renewed the debate about the extent to which states are immune from such challenges.¹⁵ In *Seminole Tribe*, the Court held that, notwithstanding its grant of broad powers to regulate interstate commerce, the Commerce Clause does not permit Congress to abrogate state immunity.¹⁶ After *Seminole Tribe*, a state's broad immunity can be limited only under a few narrow exceptions, two of which are discussed in this Comment.¹⁷ First, a state may waive its immunity, either expressly or under the doctrine of implied waiver.¹⁸ A state expressly waives its sovereign immunity if it specifically consents to suit in federal court.¹⁹ Under the doctrine of implied waiver, a state constructively waives its Eleventh Amendment immunity if it accepts federal funding or participates in a federally regulated activity, and Congress explicitly has conditioned such funding or participation on the state waiving its immunity.²⁰ Second, Congress may abrogate state immunity to enforce the substantive guarantees of the Fourteenth Amendment, but only if its intent to abrogate immunity is made in "unmistakably clear language."²¹

Discoveries").

13. See S. REP. NO. 102-280, at 1 (explaining that the purpose of the PPVPRCA was to clarify Congress' intent to abrogate state immunity from patent infringement suits).

14. 517 U.S. 44 (1996), *overruling* *Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989).

15. Compare *Genentech, Inc. v. Regents of Univ. of Cal.*, 939 F. Supp. 639, 642 (S.D. Ind. 1996) (holding that a state university was immune from a declaratory judgment action in a patent infringement suit), *rev'd in part and remanded*, 143 F.3d 1446 (Fed. Cir.), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731), with *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 948 F. Supp. 400, 425 (D.N.J. 1996) (holding that Congress could abrogate state immunity from a patent infringement suit), *aff'd*, 148 F.3d 1343 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531). See generally *Gen-Probe v. Amoco Corp.*, 926 F. Supp. 948, 954 n.6 (S.D. Cal. 1996) (noting that after *Seminole Tribe* Congress probably could not abrogate state immunity from suits arising under patent law).

16. See *Seminole Tribe*, 517 U.S. at 71 (arguing that Article I cannot be used to circumvent the Eleventh Amendment's restrictions on federal jurisdiction).

17. The third exception to broad state immunity is the doctrine of *Ex parte Young*, under which a state can be amenable to suit in federal court if an individual sues a state official to enjoin conduct that violates federal law. See *Seminole Tribe*, 517 U.S. at 45 (describing the *Ex parte Young* doctrine as an exception to Eleventh Amendment immunity); see also *infra* Part I.B.1 (discussing briefly *Ex parte Young*). The *Ex parte Young* doctrine is beyond the scope of this Comment.

18. See generally Kit Kinports, *Implied Waiver After Seminole Tribe*, 82 MINN. L. REV. 793, 798-807 (1998) (discussing the theories of abrogation and waiver). Implied waiver also is referred to as constructive waiver.

19. See *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 238 (1985) ("[I]f a State waives its immunity and consents to suit in federal court, the Eleventh Amendment does not bar the action." (citing *Clark v. Barnard*, 108 U.S. 436, 447 (1883))).

20. See Kinports, *supra* note 18, at 795, 820 nn.117-18 (explaining the doctrine of implied waiver); see also *infra* Part I.B.2.

21. See *Atascadero*, 473 U.S. at 238 (recognizing that the Eleventh Amendment is limited under Congress' Fourteenth Amendment power) (citing *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456

Despite the PPVPRCA, the *Seminole Tribe* decision suggests that states once again may be immune from suits arising under the patent code, potentially leaving those with patent actions against states without any recourse.²²

This Comment examines state immunity from patent suits in light of the Supreme Court's reexpansion of Eleventh Amendment immunity in *Seminole Tribe*.²³ It addresses whether Congress has the power to abrogate a state's Eleventh Amendment immunity from suits arising under the federal patent laws, or, in the alternative, whether a state has constructively waived its immunity from patent suits by participating in and benefiting from the patent process. Part I briefly summarizes the origin of the Eleventh Amendment and several of the judicial decisions that have expanded and restricted the scope of state immunity from suits in federal court. Part II discusses Congress' abrogation of state immunity from patent suits and the judicial decisions permitting this abrogation that preceded the *Seminole Tribe* decision. Part III considers the reaction among federal courts to the *Seminole Tribe* decision. To illustrate the effect of *Seminole Tribe*, Part III discusses a lawsuit in which a state university claimed immunity from suit when a corporation moved for a declaratory judgment that a patent owned by the university was

(1976)). Under Section 5 of the Fourteenth Amendment, "Congress shall have the power to enforce, by appropriate legislation, the provisions of [the Fourteenth Amendment]," including Section 1 which provides, "nor shall any state deprive any person of life, liberty, or property without due process of law." U.S. CONST. amend. XIV. This Comment focuses on the effect of *Seminole Tribe* on patent law rather than on the distinction, or lack thereof, between the doctrines of implied waiver and abrogation. An attempt was made to explain these doctrines briefly. For a more thorough explanation and a discussion of the status of abrogation and implied waiver after *Seminole Tribe*, see Kinports, *supra* note 18.

22. See *Seminole Tribe*, 517 U.S. at 77 n.1 (Stevens, J., dissenting) (arguing that the majority's decision prevents Congress from providing a federal forum for actions that are under exclusive federal jurisdiction, including patent and copyright law, environmental law, bankruptcy, and antitrust law, where those injured have no alternative remedy). But see *id.* at 72 n.16 (majority opinion) (responding to Justice Stevens that individuals may obtain injunctive relief against state officials under *Ex parte Young* and noting that abrogation of immunity in many areas of exclusive federal jurisdiction is not widely recognized among courts).

23. Articles on the authority of Congress to abrogate state Eleventh Amendment immunity from patent suits were published after the Supreme Court decision in *Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989). See generally Susan C. Hill, Comment, *Are States Free to Pirate Copyrighted Materials and Infringe Patents?—Pennsylvania v. Union Gas May Mean They Are Not*, 92 W. VA. L. REV. 487, 519 (1990) (concluding that states should and likely will be amenable to suits after Congress amends patent and copyright statutes to include explicit language of its intent to abrogate state immunity); Kenneth S. Weitzman, Comment, *Copyright and Patent Clause of the Constitution: Does Congress Have the Authority to Abrogate State Eleventh Amendment Sovereign Immunity After Pennsylvania v. Union Gas Co.*?, 2 SETON HALL CONST. L.J. 297, 334 (1991) (concluding that Congress should not be allowed to abrogate unilaterally Eleventh Amendment immunity). Since the publication of these articles, Congress has amended the patent statute to include language that "unmistakably" abrogates state immunity, although its authority to abrogate recently has been questioned in light of the Supreme Court's decision in *Seminole Tribe*.

invalid, and therefore, not infringed.²⁴ This section suggests that Congress should be allowed to abrogate state immunity from all suits arising under the federal patent laws, or alternatively, that the federal courts should treat a state's participation in the patent process as a constructive waiver of its immunity. Finally, Part IV concludes that the federal courts should clarify the limitations on state immunity under the doctrines of abrogation and implied waiver. Only by clarifying these doctrines and allowing Congress to abrogate state immunity from patent suits will courts ultimately hold states accountable for violating federal patent laws. If courts allow states to infringe patents and enforce invalid patents against alleged infringers, the promotion of the progress of science will suffer and congressional intent will be ignored.

I. THE ORIGIN AND JUDICIAL INTERPRETATION OF ELEVENTH AMENDMENT SOVEREIGN IMMUNITY

Over the last century, the Supreme Court has continually redefined the scope of Congress' power to limit a state's Eleventh Amendment immunity.²⁵ The Court often failed to reach a consensus on its interpretation of the Eleventh Amendment.²⁶ The justices could not

24. See *Genentech, Inc. v. Regents of Univ. of Cal.*, 143 F.3d 1446 (Fed. Cir.) (refusing to decide if Congress had the power to abrogate immunity but holding that the state university constructively consented to a declaratory judgment action in federal court, and thereby waived its immunity from suit), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731), *rev'g* 939 F. Supp. 639, 645 (S.D. Ind. 1996) (holding that Congress had no power to abrogate state immunity from a declaratory judgment action and holding that the state university did not waive its immunity by obtaining a patent or filing a infringement claim). This case was chosen because it facilitates an analysis of many of the pertinent issues concerning the status of state immunity from patent suits following the Court's *Seminole Tribe* decision. Although this case presents the issue of a declaratory judgment action filed by an alleged infringer against a patent-owning state university, *College Savings v. Florida Prepaid Postsecondary Education Expense Board*, 148 F.3d 1343 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531), a case in which a patent owner filed an infringement action against a state, also is discussed. See *infra* notes 235-39 and accompanying text.

25. See *infra* Part I.B (detailing the Court's expansion and restriction of the scope of Eleventh Amendment immunity).

26. See, e.g., *Dellmuth v. Muth*, 491 U.S. 223, 224 (1989) (5-4 decision); *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 3 (1989) (plurality opinion), *overruled by Seminole Tribe*, 517 U.S. at 66 (5-4 decision); *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 235 (1985) (5-4 decision); *Parden v. Terminal Ry. of Ala. Docks Dep't*, 377 U.S. 184, 198 (1964) (5-4 decision), *overruled in part by Welch v. Texas Dep't of Highways & Pub. Transp.*, 483 U.S. 468 (1987) (plurality opinion); *Petty v. Tennessee-Missouri Bridge Comm'n*, 359 U.S. 275, 283 (1959) (5-3 decision).

Some of the justices have espoused a literal reading of the Eleventh Amendment, arguing against the interpretation of the Supreme Court in *Hans v. Louisiana*, 134 U.S. 1 (1890), that the Eleventh Amendment is a general grant of immunity to the states. See *Atascadero*, 473 U.S. at 259 (Brennan, J., dissenting) (claiming that the constitutional principle of sovereign immunity does not exist); *Union Gas*, 491 U.S. at 23 (Stevens, J., concurring) (supporting a more literal interpretation of the Eleventh Amendment as contrasted with the Court's expansive interpretation in *Hans*).

Other justices in *Union Gas* rejected this "comprehensive approach" to the Eleventh

agree on which constitutional provisions specifically grant Congress the power to abrogate or constructively waive state immunity from actions brought against the states in the federal court system.²⁷

A. *The Origin of the Eleventh Amendment*

The movement to ratify the Eleventh Amendment was precipitated in 1793 by the Supreme Court's decision in *Chisholm v. Georgia*,²⁸ which held a state liable to suit by non-citizens of the state.²⁹ In *Chisholm*, two citizens of South Carolina, acting as executors for a British creditor, sued the state of Georgia for the value of military supplies sold to the state.³⁰ The Court defeated Georgia's claim of original jurisdiction by finding the state liable under Article III, Section 2 of the Constitution³¹ and the Judiciary Act of 1789.³² This outcome instigated a national movement to override the decision with a constitutional amendment.³³

In 1798, the states ratified the Eleventh Amendment, granting the states limited immunity from federal actions.³⁴ The Eleventh Amendment provides that: "The judicial power of the United States

Amendment, supporting the more expansive interpretation set forth in *Hans* that the Eleventh Amendment not only provides states immunity in diversity cases but also protects states from federal suits brought by their own citizens. See *id.* at 30 (Scalia, J., concurring in part and dissenting in part) (rejecting an invitation to overrule *Hans*).

27. Compare *Union Gas*, 491 U.S. at 5, 15 (claiming that Congress may abrogate state immunity under the Fourteenth Amendment and the Commerce Clause), with *Seminole Tribe*, 517 U.S. at 72-73 (arguing that Congress cannot use its Article I powers, such as its Commerce Clause power, to circumvent Article III limits on federal jurisdiction), and *Parden*, 377 U.S. at 196 (inferring a state's implied consent to federal jurisdiction where the state entered into an activity subject to federal regulation and federal jurisdiction), and *Union Gas*, 491 U.S. at 41 (Scalia, J., concurring in part) (asserting that the *Parden* waiver doctrine was partially overruled and otherwise in doubt).

28. 2 U.S. (2 Dall.) 419 (1773).

29. See *id.* at 440.

30. See *id.* at 420.

31. The Constitution states:

The judicial Power shall extend to all Cases, in Law and Equity, arising under the this Constitution, the Laws of the United States, . . . to Controversies to which the United States shall be a Party; to Controversies between two or more States; between a State and Citizens of another State; between Citizens of different States

U.S. CONST. art. III, § 2, cl. 1.

32. Judiciary Act of 1789, ch. 20, § 13, 1 Stat. 73, 80 (1789) (repealed 1948) (delineating the jurisdictional powers of the federal court system).

33. Although the decision shocked the nation, it is interesting to note that only Justice Iredell dissented in *Chisholm*. See *Hans v. Louisiana*, 134 U.S. 1, 12 (1890) (noting that the country's opinion accorded with the dissent in *Chisholm*). Justice Iredell's dissent provided a foundation on which to expand state immunity from suit and was cited by the Court in support of expanding immunity. See *id.* (noting that Justice Iredell broke away from the narrow interpretation of the Constitution and recognized that individuals had not sued states in the past and that the Court should not subject states to suits by individuals); see also *Edelman v. Jordan*, 415 U.S. 651, 662 (1974) (describing the national sentiment to override the *Chisholm* decision rapidly).

34. U.S. CONST. amend. XI (declared ratified January 8, 1798).

shall not be construed to extend to any suit in law or equity, commenced or prosecuted against one of the United States by Citizens of another State, or by Citizens or Subjects of any Foreign State."³⁵ Although this language does not appear to bar suits brought against a state in federal court by its own citizens,³⁶ judicial interpretations of the Eleventh Amendment have afforded states more expansive immunity.³⁷ The Supreme Court, however, rarely has reached a consensus on the scope of state immunity afforded by the Eleventh Amendment.³⁸

B. Judicial Interpretation of Eleventh Amendment Immunity

One hundred years after the ratification of the Eleventh Amendment, the Supreme Court expansively interpreted the scope of state immunity in *Hans v. Louisiana*.³⁹ In *Hans*, a citizen of Louisiana sued the state in a United States circuit court to recover the value of bonds that the state had issued under a contract it later repudiated.⁴⁰ The Supreme Court ruled unanimously that a citizen of a state could not bring a suit involving a question of federal law against that state in federal court.⁴¹ The Court concluded that it was anomalous for a state to be held liable in a federal court to its own citizens and yet immune from similar actions brought by citizens of other states or foreign states.⁴² Therefore, the Court expanded the scope of state immunity under the Eleventh Amendment by recognizing that states were sovereign entities within the federal court system and could not be sued without their consent.⁴³ This

35. See *id.*

36. See *Edelman*, 415 U.S. at 662-63 (noting that the Court has consistently ruled that the Eleventh Amendment bars suits against unconsenting states brought by citizens of any state).

37. See *Hans*, 134 U.S. at 17 (stating that a state cannot be sued without its consent).

38. See *supra* note 26 (reporting that many of the Court's decisions on Eleventh Amendment issues were split decisions).

39. 134 U.S. 1 (1890).

40. See *id.* at 1-3.

41. See *id.* at 10.

42. See *id.* at 10-11. In support of its rationale, the Court quoted from THE FEDERALIST and the Virginia Convention, claiming that framers like Alexander Hamilton, James Madison, and John Marshall believed that states were sovereign entities not amenable to suits brought by individuals. See *id.* at 12-15. But see *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 300 (1985) (Brennan, J. dissenting) (arguing that the Court's historical interpretation was "plainly mistaken" and claiming that the Court took the framers' comments, which addressed only the state-citizen diversity clause, out of context).

43. See *Hans*, 134 U.S. at 17 (arguing that a state cannot be sued in its own courts or other courts but that it voluntarily may waive its privilege of immunity). Justices have disagreed with the expansive immunity described in *Hans*. See *supra* note 26; see also *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 23 (1989) (granting Congress power to abrogate immunity under Commerce Clause and yet avoiding the decision to overrule *Hans*), *overruled by Seminole Tribe v. Florida*, 517 U.S. 44 (1996).

landmark decision precluded virtually all suits against unconsenting states in federal courts.⁴⁴

Following *Hans*, the Court routinely restricted and expanded the scope of Eleventh Amendment immunity in a long line of cases that ultimately identified three instances in which a state is subject to federal suit. First, the Court ruled that the Eleventh Amendment did not bar suits against state officials for prospective injunctive relief.⁴⁵ Second, the Court concluded that the states could not only expressly waive immunity, but in some cases, the states could consent to suit under the implied waiver theory.⁴⁶ Finally, the Court determined that in certain circumstances, Congress could abrogate state immunity from federal suits.⁴⁷ Although the distinction between implied waiver and abrogation is often unclear,⁴⁸ implied waiver generally involves a state making a voluntary decision to constructively consent to suit, while abrogation occurs when Congress enacts legislation that forces a state to consent to suit.⁴⁹

1. *The Eleventh Amendment does not bar suits against state officials for prospective injunctive relief*

In the early twentieth century, the Court created the first exception to expansive state immunity. In *Ex parte Young*,⁵⁰ the Court ruled that the Eleventh Amendment does not bar actions for prospective injunctive relief brought by individuals in federal court against a state official who violated federal law while acting within the scope of his official duties.⁵¹ This rule arose out of a suit brought by stockholders in a railroad company against a state Attorney General.⁵² Because the Attorney General attempted to enforce an unconstitutional legislative enactment in the name of the state, the majority held that he acted outside of his representative character and consequently held him

44. See *Seminole Tribe*, 517 U.S. at 54 n.7 (citing an exhaustive list of cases from 1890 to 1993 that reaffirm the Court's decision in *Hans*).

45. See *infra* Part I.B.1.

46. See *infra* Part I.B.2; see also Kinports, *supra* note 18, at 799-801 (tracing the history of and explaining the doctrine of implied waiver).

47. See *infra* Part I.B.3.

48. See *infra* note 81 (explaining the evolution of the congressional power to abrogate state immunity).

49. See Kinports, *supra* note 18, at 807 ("Implied waiver presupposes a voluntary decision on the part of the states to forego their Eleventh Amendment protection, whereas abrogation is an exercise of congressional power to remove the states' immunity regardless of their wishes." (quoting *Blatchford v. Native Village*, 501 U.S. 775, 787-88 (1991))).

50. 209 U.S. 123 (1908).

51. See *id.* at 159-60.

52. See *id.* at 131. The Attorney General was trying to impose rates through enforcement of a state act in contravention to the Fourteenth Amendment and the stockholders sought an injunction against the enforcement of the act. See *id.*

personally liable for his actions.⁵³

Following *Ex parte Young*, courts no longer interpreted the Eleventh Amendment as a bar to suits against state officials to enjoin conduct that violated federal law.⁵⁴ Notably, however, the Court subsequently limited the awards available in *Ex parte Young* suits to prospective injunctive relief.⁵⁵ Thus, the Eleventh Amendment continued to prohibit suits for monetary damages paid out of state funds, regardless of whether the state itself was named as a defendant.⁵⁶ Although *Ex parte Young* had a limited application, the decision was significant because for the first time the Court restricted its broad interpretation of the scope of state immunity⁵⁷ as articulated in *Hans v. Louisiana*.⁵⁸

2. A state may constructively waive its Eleventh Amendment immunity

Although a state always may waive its immunity by specifically consenting to suit in federal court,⁵⁹ the Court in *Parden v. Terminal Railway of Alabama State Docks Department*⁶⁰ further limited Eleventh Amendment immunity by inferring an implied or constructive waiver of immunity⁶¹ in the absence of an expressed waiver.⁶² In *Parden*,

53. See *id.* at 159-60; see also *Hutto v. Finney*, 437 U.S. 678, 692 (1978) (holding that the Eleventh Amendment did not prevent the Court from awarding attorney fees to prisoners who alleged that guards violated their constitutional rights because the guards, acting in their official capacity, refused to cure constitutional violations previously identified in district court).

54. See *Edelman v. Jordan*, 415 U.S. 651, 664 (1974) (explaining that under *Ex parte Young*, a government official was not immune from a federal suit alleging a constitutional violation).

55. See *Edelman*, 415 U.S. at 668-69 (limiting awards in suits against state officials to prospective relief and refusing to award retrospective relief).

56. See, e.g., *Ford Motor Co. v. Department of the Treasury of Ind.*, 323 U.S. 459, 463 (1945) (holding that a suit for monetary damages paid out of a state treasury was suit against the state, and the state could invoke sovereign immunity even if state officials were nominal defendants); cf. *Edelman*, 415 U.S. at 664 (noting that the holding in *Ex parte Young* was limited to providing prospective injunctive relief against state officials).

57. See *Ex parte Young*, 209 U.S. 123, 166 (1908) (allowing suits against state officers who acted outside the scope of their official capacity by enforcing an unconstitutional statute).

58. 134 U.S. 1, 17 (1890) (extending to the states immunity from all suits brought by citizens and non-citizens of the state).

59. See *Hans*, 134 U.S. at 17 ("[T]he sovereign cannot be sued in its own courts, or in any other, without its consent and permission; but it may . . . waive this privilege, and permit itself to be made a defendant in a suit by individuals, or by another state."); see also *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 238 (1985) (noting that a state is not immune upon consenting to suit).

60. 377 U.S. 184 (1964), *overruled in part by* *Welch v. Texas Dep't of Highways & Pub. Transp.*, 483 U.S. 468 (1987).

61. See *Kinports*, *supra* note 18, at 798-801 (providing a history and explanation of implied waiver). The question of whether a state has expressly or constructively waived its immunity is one of federal law. See *Parden*, 377 U.S. at 196 (explaining that state actions in the sphere of federal activity are necessarily subject to interpretation under federal law).

62. See *Parden*, 377 U.S. at 193 (concluding that the state constructively waived its immunity by participating in a federal program that was governed by a statute providing for amenability to suit in federal courts). The dissent in *Parden* argued that the Court should not infer a waiver unless Congress clearly considered the implications of waiver and expressly conditioned

citizens of the state of Alabama successfully sued a state-owned railroad under the Federal Employees Liability Act ("FELA") for injuries sustained while employed by the railroad.⁶³ The *Parden* majority held that Congress enacted FELA under its broad commerce power⁶⁴ to hold every common carrier liable in damages for injuries suffered by its employees.⁶⁵ The Court believed that Congress' reference to "every" common carrier indicated that it never intended to exempt state-owned railroads from liability.⁶⁶ The Court assumed that, in the absence of an express provision to the contrary, a state was just as liable to its employees as a privately-owned company.⁶⁷ To find otherwise, the majority reasoned, would result in the creation of a "right without a remedy."⁶⁸

The Court in *Parden* inferred the implied waiver in three steps. First, it reasoned that the state ratified the Commerce Clause, giving Congress the power to create a right of action against interstate railroads.⁶⁹ Second, it rationalized that, in enacting FELA, Congress conditioned the right to operate a railroad on a state's consent to liability in federal courts.⁷⁰ And finally, the Court believed that by operating the railroad in interstate commerce, the state accepted the conditions of FELA, including consent to federal suits.⁷¹ The Court thereby created the implied or constructive waiver doctrine for

participation in a federally regulated activity on a state's consent to waive immunity. *See id.* at 198-99 (White, J., dissenting). Justice White's dissenting opinion is similar to that expressed by the majority in *Welch v. Texas Department of Highways & Public Transportation*, 483 U.S. 468 (1987), which required that the statute itself contain the express intent of Congress to waive state immunity. *See Welch*, 483 U.S. at 478.

63. *See Parden*, 377 U.S. at 184-85 (interpreting FELA, 45 U.S.C. §§ 51-60, broadly to bring the states within the definition of "employer").

64. *See id.* at 190-91. Additionally, the Court held that the application of FELA to a state railroad could not be thwarted by state immunity. *See id.* at 192. *But cf. Seminole Tribe v. Florida*, 517 U.S. 44, 57-62 (1996) (concluding that Congress has no power under the Commerce Clause to abrogate state immunity from federal suits).

65. FELA provides that "(e)very common carrier by railroad while engaging in commerce between any of the several states . . . shall be liable in damages to any person suffering injury while he is employed by such carrier in such commerce," and that "under this chapter an action may be brought in a district court of the United States . . ."

Parden, 377 U.S. at 185-86 (quoting 45 U.S.C. §§ 51, 56 (1964)).

66. *See id.* at 187 (noting that Congress "meant what it said" in FELA).

67. *See id.* at 190. Today, in contrast, the Court presumes that a state is immune unless there is an explicit provision to the contrary. *See Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 241-42 (1985) (commenting that waiver must be expressed in unmistakably clear terms within the statute).

68. *See Parden*, 377 U.S. at 190.

69. *See id.* at 192 ("By empowering Congress to regulate commerce, . . . the States necessarily surrendered any portion of their sovereignty that would stand in the way of such regulation.").

70. *See id.* at 192.

71. *See id.* at 192; *see also* *United States v. California*, 297 U.S. 175, 185 (1936) ("[B]y engaging in interstate commerce by rail, [the state] has subjected itself to the commerce power, and is liable for a violation . . . of the Safety Appliance Act, as are other carriers . . .").

situations in which a state entered into activities subject to federal regulation and federal jurisdiction.⁷²

Despite the creation of this expansive doctrine, the Supreme Court severely limited the scope of the implied waiver doctrine over the next twenty-three years.⁷³ For example, in *Atascadero State Hospital v. Scanlon*,⁷⁴ the majority held that a state statute or constitutional provision had to indicate specifically "the State's intention to subject itself to suit in federal court" to constitute a waiver of immunity.⁷⁵ The respondent in *Atascadero* argued that the state waived its immunity to suit in federal court when it adopted language in the state constitution stating, "Suits may be brought against the state in such a manner and in such courts as may be directed by law."⁷⁶ The Court disagreed, however, holding that such a general waiver was not enough to subject a state to suit in federal court.⁷⁷ The *Atascadero* Court also held that even if Congress specifically addressed the states in portions of a federal act, a state's mere acceptance of federal funds

72. See *Parden*, 377 U.S. at 196 ("But when a State leaves the sphere that is exclusively its own and enters into activities subject to congressional regulation, it subjects itself to that regulation as fully as if it were a private person or corporation."). Otherwise, employees would have been denied benefits held by those working for private railroads simply because they worked for the state. See *id.* at 197; see also *Petty v. Tennessee-Missouri Bridge Comm'n*, 359 U.S. 275, 281-82 (1959) (holding that states waived immunity by accepting the terms of a compact that gave a state entity the power to "sue and be sued" and that Congress approved the waiver under its Compact Clause power on the condition that the compact did not impair the jurisdiction of United States courts over navigable waters and interstate commerce).

73. *Employees of the Department of Public Health & Welfare of Missouri v. Department of Public Health & Welfare of Missouri* was the first in a series of cases that limited implied waiver. See 411 U.S. 279 (1973). In this case, the Court required a showing that Congress clearly intended to waive the state's Eleventh Amendment immunity before finding that state participation in a federal program constituted an implied waiver. See *id.* at 386-87. The following year, the Court further limited the applicability of the implied waiver doctrine to situations in which Congress statutorily authorized suits against a class of defendants that literally included states or state instrumentalities. See *Edelman v. Jordan*, 415 U.S. 651, 672 (1974) (stating that "constructive consent is not a doctrine commonly associated with the surrender of constitutional rights"); see also *Fitzpatrick v. Bitzer*, 427 U.S. 445, 452 (1976) (claiming that none of the statutes in *Edelman* authorized Congress to join a state as defendant). Thus, the mere decision of a state to administer federal and state funds in accordance with federal law alone is not a manifestation of its consent to be sued in federal court. See *Edelman*, 415 U.S. at 673-74.

74. 473 U.S. 238 (1985). The Court analyzed the issue of immunity in three parts: two dealt with implied waiver, while the third involved abrogation. The first part addressed whether the state waived immunity by virtue of language contained in a state constitution. See *id.* at 241. The second part discussed whether Congress had abrogated state immunity in unmistakably clear language in a federal act. See *id.* at 242-46; see also discussion *infra* Part I.B.3 (addressing the abrogation portion of *Atascadero*). In the third part, the Court decided whether the state waived its immunity and constructively consented to suit by accepting federal funds under a federal act. See *id.* at 246-47.

75. See *Atascadero*, 473 U.S. at 241.

76. See *id.* (citing CAL. CONST. art. III, § 5).

77. See *Atascadero*, 473 U.S. at 241 (concluding that California did not waive its immunity because there was no clear statutory waiver specific to federal courts).

did not amount to a waiver of Eleventh Amendment immunity.⁷⁸ Rather, Congress had to make it clear that to receive federal funds, a state must consent to suit in federal court.⁷⁹ Several years later, the Court expressly overruled *Parden* to the extent that Congress must use statutory language that makes it explicit that states will be held liable for suits brought against them in federal court.⁸⁰

3. Congress may abrogate a state's Eleventh Amendment immunity

The third limitation on Eleventh Amendment immunity arose after *Parden* when the Supreme Court confirmed that certain provisions of the Constitution give Congress the power to abrogate state immunity through legislative action.⁸¹ In *Fitzpatrick v. Bitzer*,⁸² the Court recognized Congress' power under Section 5 of the Fourteenth Amendment to abrogate state immunity when enforcing substantive provisions of the amendment.⁸³ In *Fitzpatrick*, male state employees

78. See *id.* at 246-47.

79. See *id.* at 247 (holding that because Congress did not manifest its intent to condition participation in federally-funded programs on a waiver of immunity, the state did not consent to suit in federal court).

80. See *Welch v. Texas Dep't of Highways & Pub. Transp.*, 483 U.S. 468, 478 (1987) (adopting expressly what is known as the "clear statement" rule for implied waiver). Statutory language constituting a general authorization for suit in federal court is no longer sufficient to waive state immunity. See *id.* at 475-76 (finding that a statute providing relief to "seamen who shall suffer personal injury in the course of employment" was general authorization for federal suits and consequently an insufficient waiver). By disposing of the case based on statutory language, the *Welch* Court avoided deciding whether Congress had the power to abrogate Eleventh Amendment immunity under the Commerce Clause. See *id.* at 478 n.8.

81. *Parden* was based on implied waiver rather than abrogation. See *Parden v. Terminal Ry. of Ala. Docks Dep't.*, 377 U.S. 184, 196 (1964), overruled in part by *Welch v. Texas Dep't of Highways & Pub. Transp.*, 483 U.S. 468 (1987). Although the power to abrogate evolved later, the foundation was laid in *Parden*. See *Pennsylvania v. Union Gas*, 491 U.S. 1, 14 (1989) (stating that the decision in *Parden*, which held that the Commerce Clause gave Congress the power to create FELA and that FELA applied to states as well as private citizens, laid a firm foundation on which to build the direct abrogation theory), overruled by *Seminole Tribe v. Florida* 517 U.S. 44 (1996). The distinction, or lack thereof, between abrogation and implied waiver is confusing. See *Kinports*, *supra* note 18, at 807-09 (noting the Court's discussion of waiver and abrogation in *Atascadero* and *Welch* and concluding that the implied waiver theory virtually was dead prior to *Seminole Tribe*); see also *infra* Part I.C.2; cf. *Edelman v. Jordan*, 415 U.S. 651, 672 (1974) ("The question of waiver . . . was found . . . to turn on whether Congress had intended to abrogate the immunity . . . and whether the State by its participation in the program authorized by Congress had in effect consented to the abrogation of that immunity.").

82. 427 U.S. 445 (1976).

83. See *id.* at 456 ("Congress may, in determining what is 'appropriate legislation' for the purposes of the Fourteenth Amendment, provide for private suits against States or state officials which are constitutionally impermissible in other contexts."); see also *supra* note 21. Recently, the Court limited Congress' power to enact statutes under Section 5 of the Fourteenth Amendment. See *City of Boerne v. Flores*, 527 U.S. 507, 117 S. Ct. 2157, 2164 (1997) (concluding that Congress may enforce the Fourteenth Amendment through remedial or preventative measures but cannot make substantive changes in law), *rev'd* 83 F.3d 421 (5th Cir. 1996); see also *infra* note 238 (discussing abrogation under the Fourteenth Amendment). For the effect of the *Boerne* decision on Congress' ability to enforce the Fourteenth Amendment by abrogating sovereign immunity see *infra* note 238 and accompanying text. See *infra* Part III.B.2

sought retroactive payments of retirement benefits and attorneys' fees from the state pursuant to Title VII of the Civil Rights Act of 1964, alleging that the state retirement plan discriminated against them based on their gender.⁸⁴ Contrary to its holding in *Ex parte Young*, the Court ruled that Congress had the authority under the Fourteenth Amendment to institute such an award in a Title VII action⁸⁵ even if the award was paid out of the state treasury.⁸⁶ Although Congress did not explicitly abrogate Eleventh Amendment immunity in Title VII,⁸⁷ the Court found that states are amenable to federal suits based on Congress' Fourteenth Amendment power to enact and enforce the Civil Rights Act and other "substantive guarantees of the Fourteenth Amendment."⁸⁸

The Court narrowed its interpretation of Congress' power to abrogate immunity in *Atascadero State Hospital v. Scanlon*⁸⁹ by requiring that Congress make its intent to abrogate state immunity "unmistakably clear" in the language of the statute.⁹⁰ In *Atascadero*, the state denied employment to the respondent, who was disabled, and the respondent filed a federal suit against the state alleging discrimination in violation of section 504 of the Rehabilitation Act of 1973.⁹¹ Section 505 of the Rehabilitation Act provides remedies for

(discussing the Federal Circuit's decision in *College Savings Bank v. Florida Prepaid Postsecondary Education Expense Board*, 148 F.3d 1343 (Fed. Cir. 1998), cert. granted, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531)).

84. See *Fitzpatrick*, 427 U.S. at 448-49. Congress amended Title VII in 1972, authorizing federal courts to award money damages to private individuals suing states for discrimination based on race, sex, color, religion, or national origin. See *id.* at 448 n.1 (citing 42 U.S.C. § 2000e-2(a) (1970 & Supp. IV)).

85. See *id.* at 457.

86. See *supra* note 55 and accompanying text (stating that relief against officials under *Ex parte Young* was limited to prospective injunctive relief); see also *Hutto v. Finney*, 437 U.S. 678, 698 n.31 (1978) (rejecting the immunity claim of state prison officials because Congress enacted the Civil Rights Attorneys' Fees Award Act of 1976 under the Fourteenth Amendment, where the legislative history indicated that Congress rejected the suggestion of state immunity from liability).

87. The statute referred to an "employer's" liability for violating the Civil Rights Act, but contained no explicit references to states. See 42 U.S.C. § 2000(e)-2(a) (1970 & Supp. IV).

88. See *Fitzpatrick*, 427 U.S. at 457 (holding that Congress could exercise its Fourteenth Amendment powers to allow an award against a state in a Title VII action).

89. 473 U.S. 234 (1985).

90. See *id.* at 242-43. In deciding if the requisite congressional intent to abrogate state immunity is satisfied, the Court looks only to the language of the statute, ignoring other evidence of intent such as legislative history. See *Dellmuth v. Muth*, 491 U.S. 223, 230 (1989) (holding that parties aggrieved by the administrative process did not abrogate immunity in relation to Education for the Handicapped Act and noting that legislative history "generally will be irrelevant" in deciding whether Congress intended to abrogate Eleventh Amendment immunity).

91. See *Atascadero*, 473 U.S. at 236. Section 504 of the Rehabilitation Act of 1973 provides, in part, that a program or activity receiving federal financial assistance may not discriminate against an individual based on his handicap. See 29 U.S.C. § 794 (1994). Congress passed the Rehabilitation Act under its Fourteenth Amendment power. See *Welch v. Texas Dep't of*

violations of section 504 by "any recipient of Federal assistance."⁹² In holding that this general waiver of immunity was not sufficient to abrogate Eleventh Amendment immunity,⁹³ the Court claimed that the constitutional role of states distinguished them from other private employers.⁹⁴ The Court believed that its decision to require an unequivocal expression of congressional intent to abrogate immunity preserved the balance between federal and state government.⁹⁵

Thirteen years after deciding *Fitzpatrick*, a plurality held that the Commerce Clause, like the Fourteenth Amendment, also empowered Congress to abrogate a state's Eleventh Amendment immunity.⁹⁶ In *Pennsylvania v. Union Gas Co.*,⁹⁷ the plurality held that the amended language of an environmental statute clearly expressed Congress' intent to hold states liable for the costs of cleaning up hazardous waste.⁹⁸ The plurality also held that Congress had the authority to

Highways & Pub. Transp., 483 U.S. 468, 472 n.2. (1987).

92. *Atascadero*, 473 U.S. at 245 (citing 29 U.S.C. § 794(a) (1978)).

93. *See id.* at 242 ("Congress may abrogate the States' constitutionally secured immunity from suit in federal court only by making its intention unmistakably clear in the language of the statute.").

94. *See id.* at 246.

95. *See id.* at 242-43. *But see id.* at 253-54 (Brennan, J., dissenting) (arguing that the Court has made it increasingly difficult for Congress to abrogate Eleventh Amendment immunity, with the paradoxical result that instead of protecting the federal system, the Court is protecting states that violate federal law). The *Atascadero* Court conceded that in some circumstances, when it was constitutionally permissible for Congress to abrogate immunity, "the usual constitutional balance between the States and Federal government does not obtain." *See id.* at 242. To ensure that Congress intended both to override the balance maintained by the Eleventh Amendment and to enhance federal jurisdiction, the Court decided that express statutory language evincing clear intent to subject states to federal jurisdiction was required. *See id.*

96. The plurality decision in *Pennsylvania v. Union Gas Co.*, 491 U.S. 1 (1989), *overruled by Seminole Tribe v. Florida*, 517 U.S. 44 (1996), which allowed abrogation under the Commerce Clause, came two years after the Court avoided this issue in *Welch*. *See Welch*, 483 U.S. at 478 n.8 (refusing to consider whether Congress had the power to abrogate Eleventh Amendment immunity under the Commerce Clause).

97. 491 U.S. 1 (1989), *overruled by Seminole Tribe*, 517 U.S. 44 (1996). In *Union Gas*, a coal plant operator blamed the state for a hazardous waste release and filed a third-party complaint against the state, asserting that the state was liable for cleanup costs. *See id.* at 5-6. The state claimed that, under the Eleventh Amendment, it was immune from liability imposed on site "owners and operators" by the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 ("CERCLA") and the Superfund Amendments and Reauthorization Act of 1986 ("SARA"). *See id.*

98. *See id.* at 7-8. Although CERCLA explicitly excluded states from liability if the state acquired title involuntarily as sovereign, the language of section 9601(20)(D) provided that:

The exclusion provided ... shall not apply to any State ... which has caused or contributed to the release ... of a hazardous substance ... and such a State ... shall be subject to the provisions of this chapter in the same manner and to the same extent ... as any non-governmental entity, including liability under section 9607 of this title.

Id. at 8 n.1 (quoting 42 U.S.C. § 9601(20)(D)). *But see id.* at 45 (White, J., concurring in part and dissenting in part) (finding no unmistakably clear abrogation language in CERCLA or SARA).

render states liable for damages in federal court because it enacted the statute under its commerce power.⁹⁹ In writing for the plurality, Justice Brennan concluded that states relinquished their sovereign immunity by ratifying the Constitution and granting Congress plenary authority to regulate commerce. The plurality, therefore, reasoned that Congress could make states amenable to suit if it exercised its constitutional authority and held them liable.¹⁰⁰

C. *Seminole Tribe v. Florida: Congress Cannot Abrogate Immunity Under Its Commerce Clause Power*

In 1996, the Supreme Court in *Seminole Tribe v. Florida*¹⁰¹ narrowly overruled *Union Gas* in a five to four decision, holding that Congress had no power to abrogate state immunity under the Commerce Clause.¹⁰² In *Seminole Tribe*, an Indian tribe sued a state under the Indian Gaming Regulatory Act ("IGRA"),¹⁰³ which Congress passed pursuant to its authority under the Indian Commerce Clause.¹⁰⁴ The state moved to dismiss the action based on its Eleventh Amendment

99. See *id.* at 23 ("CERCLA renders States liable in money damages in federal court, and Congress has the authority to render them so liable when legislating pursuant to the Commerce Clause."). Justice Brennan likened the Commerce Clause to the Fourteenth Amendment, stating that both take power from states and give power to Congress, but neither alters the scope of federal jurisdiction conferred in Article III. See *id.* at 16, 22-23.

100. See *id.* at 19-20. But see *id.* at 23-24 (Stevens, J., concurring) (arguing that Congress could not alter the scope of the Eleventh Amendment through statute, and claiming instead that Congress could subject states to suit in federal court under plenary powers conferred in the judicially created doctrine of sovereign immunity). Justice Scalia, dissenting in part, argued that Eleventh Amendment immunity was vital to the concept of federalism and that Congress should not be able to abrogate immunity under its Article I powers. See *id.* at 38 (Scalia, J., concurring in part and dissenting in part). The dissent distinguished *Fitzpatrick* and Congress' ability to abrogate under the Fourteenth Amendment on two facts: First, the states ratified the Commerce Clause before the Eleventh Amendment, while the Fourteenth Amendment post-dates the Eleventh Amendment; and second, the Fourteenth Amendment explicitly restricts the power of states. See *id.* at 41-43 (Scalia, J., concurring in part and dissenting in part) (arguing that congressional abrogation and constructive waiver of state immunity are essentially the same).

101. 517 U.S. 44 (1996). Only Justice John Stevens sat on the bench as the remaining proponent of Congress' power to abrogate state immunity (Justices Brennan, Marshall and Blackmun are no longer on the Court). The four remaining judges who dissented in part in *Union Gas*, along with Justice Thomas, formed the majority in *Seminole Tribe*.

102. See *id.* at 66.

103. See *id.* at 51-52. The Indian Gaming Regulatory Act of 1988, Pub. L. No. 100-497, 102 Stat. 2467 (1988) (codified as amended at 25 U.S.C. §§ 2701-2721, 18 U.S.C. §§ 1166-1168 (1994)), which allows tribes to conduct gaming activities only under a compact between the tribe and the state, "imposes upon the States a duty to negotiate in good faith with an Indian tribe toward the formation of a compact . . . and authorizes a tribe to bring a suit against a State in order to compel performance of that duty." See *id.* at 47 (citing 25 U.S.C. § 2710). The tribe sued to compel the state to negotiate in good faith to form a compact with the tribe. See *id.* at 51-52.

104. U.S. CONST. art. I, § 8, cl. 3 ("The Congress shall have the Power . . . [t]o regulate Commerce with foreign Nations, and among the several States, and with the Indian Tribes.").

immunity from suit in federal court.¹⁰⁵ The majority granted the state's motion to dismiss, holding that, "notwithstanding Congress' clear intent to abrogate . . . immunity, the Indian Commerce Clause d[id] not grant Congress" the authority to abrogate state immunity.¹⁰⁶ In dicta, the Court also addressed the implied waiver doctrine, asserting that the abrogation issue in *Seminole Tribe* was "completely unrelated" to the waiver issue in *Parden*.¹⁰⁷ Notably, this dicta may allow Congress indirectly to abrogate immunity through constructive waiver under its commerce power.¹⁰⁸

1. *Congress cannot abrogate immunity under its commerce power*

After recognizing that Congress used language in the IGRA that clearly abrogated state immunity to suit in federal court, the majority held that, despite its clear intent, Congress did not have the power to abrogate state immunity under the Indian Commerce Clause.¹⁰⁹ The Court conceded that it previously had found authority to abrogate immunity under the Fourteenth Amendment and the Commerce Clause.¹¹⁰ It concluded, however, that *Union Gas* was wrongly decided, in part because the *Union Gas* plurality failed to agree on a rationale for its holding.¹¹¹ The Court reasoned that it could not interpret its decision in *Fitzpatrick*, which permitted abrogation under Section 5 of the Fourteenth Amendment, to justify limiting state immunity under provisions such as the Commerce Clause that predated the ratification of the Eleventh Amendment.¹¹² This rationale led the Court to conclude that Congress could not use its Article I powers to circumvent the scope of federal jurisdiction as defined in Section 2 of Article III.¹¹³ Notably, the Court stated that the Federal Government's

105. See *Seminole Tribe*, 517 U.S. at 52.

106. See *id.* at 47. Although the majority in *Seminole Tribe* argued that Congress could not use its Article I powers to circumvent Article III limits on federal jurisdiction, the holding itself is limited to Congress' ability to abrogate state immunity under the Indian Commerce Clause. See *id.* at 72-73.

107. See *id.* at 65.

108. See *infra* notes 116-21 and accompanying text.

109. See *Seminole Tribe*, 517 U.S. at 56-57 ("Congress has in § 2710(d)(7) provided an 'unmistakably clear' statement of its intent to abrogate.")

110. See *id.* at 59-60 (explaining that the Court previously allowed Congress to abrogate Eleventh Amendment immunity under Section 5 of the Fourteenth Amendment and a plurality found congressional abrogation powers under the Interstate Commerce Clause). The Court claimed the relief sought did not influence whether a suit was barred by the Eleventh Amendment. See *id.* at 58.

111. See *id.* at 63-64 (claiming that the *Union Gas* plurality had no rational basis for its decision and that the decision contradicted the Court's notion of federalism).

112. See *id.* at 65.

113. See *id.* at 72-73 ("The Eleventh Amendment restricts the judicial power under Article III, and Article I cannot be used to circumvent the constitutional limitations placed on federal jurisdiction."). The Court likened the Interstate Commerce Clause to the Indian Commerce

exclusive jurisdiction over a particular area of law did not alter the fact that the Eleventh Amendment restricts federal judicial powers conferred by Article III.¹¹⁴

Given the Court's expansion of Eleventh Amendment immunity in *Seminole Tribe*, a state is immune from suits brought by private parties in federal court with three narrow exceptions. First, a state may expressly or constructively waive its immunity. Second, Congress may abrogate state immunity under Section 5 of the Fourteenth Amendment to enforce the amendment's substantive guarantees. Third, a state may be liable under the *Ex parte Young* doctrine if a private party seeks prospective injunctive relief against a state official to enjoin a continuing violation of federal law.¹¹⁵

2. Abrogation and waiver are "completely unrelated"

Despite the fact that the doctrines of abrogation and *Ex Parte Young* were at issue in *Seminole Tribe*, the Court explicitly distinguished "waiver" from "abrogation."¹¹⁶ In dismissing the *Union Gas* plurality's reliance on the *Parden* implied waiver doctrine, Justice Rehnquist stated in dicta that "[t]he [*Union Gas*] plurality claimed support for its decision from a case holding the unremarkable, and completely unrelated, proposition that the states may waive their sovereign immunity."¹¹⁷ In *Atascadero* and its progeny, however, the Court held that for a waiver to exist, Congress must explicitly condition a state's

Clause in that both granted power to the Federal Government at the expense of states, where "no principled distinction" existed between the two. See *id.* at 63. The Court probably would liken the Patent Clause to the Indian Commerce Clause because both Indian commerce and patents fall exclusively under federal jurisdiction.

114. See *id.* at 72 ("Even when the Constitution vests in Congress complete law-making authority over a particular area, the Eleventh Amendment prevents congressional authorization of suits by private parties against unconsenting States.").

115. The majority in *Seminole Tribe* concluded that the *Ex parte Young* exception to state immunity cannot be used if Congress explicitly included in the statute a remedial scheme of enforcement that is more limited than the remedy afforded by *Ex parte Young*. See *id.* at 75-76. Instead, the Court opted to limit the application of *Ex parte Young* to only those statutes in which Congress either provided for an expansive remedy comparable to that afforded by *Ex Parte Young* or provided no remedy whatsoever. See *id.* A discussion of *Seminole Tribe's* impact on *Ex parte Young* suits is beyond the scope of this Comment.

116. See *id.* at 55 (noting that it was undisputed that the state did not consent to suit and listing as issues the doctrines of abrogation and *Ex parte Young*).

117. *Id.* at 65 (referring to *Union Gas* Court's reliance on *Parden* and *Welch*). This dicta on the implied waiver doctrine likely will cause great confusion in lower courts because the Court provided no rationale for its allegedly "unremarkable" distinction. See Kinports, *supra* note 18, at 832 n.77 (acknowledging the courts' differing treatment of implied waiver following *Seminole Tribe*). At least one scholar believed that implied waiver survived *Seminole Tribe* and argued that Congress may "solicit" state waivers under its Article I powers. See *id.* at 795-96. Recently, the Federal Circuit held that a state constructively waived its Eleventh Amendment immunity, *Genentech v. Regents of the University of California*, 143 F.3d 1446, 1454 (Fed. Cir.), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731), but as of the publication of this Comment, the Supreme Court has yet to clarify the status of implied waiver.

receipt of federal funds on consent to suit in federal court in the statute.¹¹⁸ To impose such a condition on states, Congress must be acting under a constitutionally conferred power. Therefore, despite the differences between the doctrines of implied waiver and abrogation,¹¹⁹ they are not “completely unrelated;” Congress must be acting under constitutionally conferred powers to abrogate immunity or to condition state participation in a federal program on its constructive consent to suit in federal court.¹²⁰ By distinguishing “abrogation” from “waiver,” the Court may have allowed Congress to abrogate state immunity indirectly through implied waiver under the Commerce Clause and yet prevented Congress from abrogating immunity directly under the same constitutional clause.¹²¹

II. CONGRESSIONAL ABROGATION OF ELEVENTH AMENDMENT IMMUNITY FROM PATENT SUITS PRIOR TO *SEMINOLE TRIBE*

Before Congress passed the PPVPRCA in 1992,¹²² the states were immune from suits alleging patent law violations. By codifying the PPVPRCA in sections 296 and 271(h) of the patent code,¹²³ Congress attempted to close this loophole, intending to hold states liable in federal court for infringement and other violations of the patent laws.¹²⁴ Moreover, the Federal Circuit interpreted the PPVPRCA as abrogating state immunity from declaratory judgment actions in which a party sought a declaration that a state-owned patent was invalid.¹²⁵ This decision was important because it prevented states from enforcing invalid patents against alleged infringers.

A. State Immunity Prior to the PPVPRCA

Prior to the Court's virtual elimination of implied waiver in

118. See *supra* notes 77-80 and accompanying text (discussing the holding in *Atascadero* and *Welch*).

119. See *supra* notes 18-21 and accompanying text.

120. See *supra* note 81 (discussing the connection between abrogation and waiver).

121. See *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 43 (1989) (Scalia, J., concurring in part and dissenting in part) (“There are obvious and fatal difficulties in acknowledging [the *Parden* holding] if no Commerce Clause power to abrogate state sovereign immunity exists.”), *overruled by Seminole Tribe*, 517 U.S. 44 (1996).

122. See PPVPRCA, Pub. L. No. 102-560, 106 Stat. 4230 (1992) (codified in part at 35 U.S.C. §§ 271, 296 (1994)).

123. See 35 U.S.C. §§ 271(h), 296 (1994).

124. See 35 U.S.C. § 296(a) (abrogating immunity “for infringement of a patent under § 271, or for any other violation under this title”); cf. S. REP. NO. 102-280, at 1 (1992), *reprinted in* 1992 U.S.C.A.N. 3087, 3087 (stating that the purpose of the Act was “to clarify Congress’s intent that States and State entities are not immune from *infringement* suits”) (emphasis added).

125. See *Genentech, Inc. v. Eli Lilly & Co.*, 998 F.2d 931, 949 (Fed. Cir. 1993) (holding that a state university was not immune from suit by a party seeking a declaratory judgment that the university’s patent was invalid and not infringing).

Atascadero and its progeny,¹²⁶ various district courts held that states were not immune from patent suits.¹²⁷ These courts relied on several rationales to support their decisions. First, by granting Congress exclusive control over patents, states "largely surrendered their sovereignty over patents" even though the patent statutes explicitly did not exempt states from compliance.¹²⁸ Second, a state could not claim immunity when it violated a patent law because such a violation constituted an action clearly outside the scope of its authority.¹²⁹ Third, a patent was property and a state could not take such property without adequate compensation.¹³⁰ However, when the *Atascadero* Court required Congress to address expressly state immunity or waiver within the language of the statute itself, the district courts had no choice but to rule in favor of state immunity from patent suits.

Congress amended the patent code partly in response to the line of decisions that afforded states immunity from patent actions under the Eleventh Amendment.¹³¹ In 1990, the United States Court of Appeals for the Federal Circuit decided one such benchmark case, *Chew v. California*.¹³² This decision occurred five years after the Supreme Court limited state immunity in *Atascadero* and one year after the *Union Gas* Court granted Congress the power to abrogate

126. See *Atascadero State Hosp. v. Scanlon*, 473 U.S. 234, 246-47 (1985) (implementing a virtual elimination of implied waiver with the unmistakably clear language requirement); see also *supra* Part I.B.3 (detailing the rise and fall of implied waiver).

127. See, e.g., *Lemelson v. Ampex Corp.*, 372 F. Supp. 708, 710 (N.D. Ill. 1974) (holding that a state agency that purchased an allegedly infringing magnetic storage device was amenable to suit and that money damages could be awarded against the state); *Hercules Inc. v. Minnesota Highway Dep't*, 337 F. Supp. 795, 795-96 (D. Minn. 1972) (holding that a state department infringed a patent and was subject to suit for injunctive relief but not for damages or accounting).

128. See *Lemelson*, 372 F. Supp. at 711 (explaining the *Parden* implied waiver doctrine in support of its holding). The Patent Clause grants Congress exclusive control over patents. See U.S. CONST. art. I, § 8, cl. 8.

129. See *id.* at 711-12 (arguing that immunity did not extend to illegitimate state actions); *Hercules*, 337 F. Supp. at 799 (relying on *Ex parte Young* in holding that state officials are not immune when acting in violation of the Constitution).

130. See *Lemelson*, 372 F. Supp. at 712-13 (concluding that a state was liable for money damages because it took property without compensation and must be treated uniformly under the law for violating a patent holder's rights); cf. *Hercules*, 337 F. Supp. at 798-99 (arguing that a state was subject to an injunction for depriving a patent holder of property but was immune from monetary damages under the Eleventh Amendment).

131. See *infra* note 142 (explaining why Congress enacted the PPVPRCA). See, e.g., *Jacobs Wind Elec. Co. v. Florida Dep't of Transp.*, 919 F.2d 726, 727-28 (Fed. Cir. 1990) (holding that the state was immune from an infringement suit but arguing that the patent holder could seek relief by submitting a claims bill to the state legislature or initiating a "takings" suit against the state under the Fifth or Fourteenth Amendments); *Kersavage v. University of Tenn.*, 731 F. Supp. 1327, 1330 (E.D. Tenn. 1989) (finding a state university immune from paying damages for patent infringement but finding a fact issue as to whether professors were afforded qualified immunity as individuals or in their official capacities).

132. 893 F.2d 331 (Fed. Cir. 1990).

immunity under the Commerce Clause.¹³³ After assuming that Congress had the power to subject states to patent infringement suits, the *Chew* court concluded that Congress did not intend to abrogate state immunity from the patent laws.¹³⁴ Prior to the PPVPRCA, section 271(a) of title 35 stated, “*whoever* without authority makes, uses or sells any patented invention . . . infringes the patent.”¹³⁵ The Federal Circuit concluded that the term “*whoever*” did not adequately abrogate a state’s Eleventh Amendment immunity under the *Atascadero* standard of “unmistakably clear” statutory language.¹³⁶ The court also noted that legislative history alone was not sufficient to overcome equivocal statutory language, regardless of whether the claim was under exclusive federal jurisdiction.¹³⁷ The Federal Circuit therefore denied the patent owner any monetary relief for the state’s alleged patent infringement.¹³⁸ The court subsequently expanded its holding in *Chew* to deny declaratory relief to parties suing state patent owners as well.¹³⁹

B. Congressional Abrogation of Immunity in Sections 296 and 271 of the Patent Code

Using the “unmistakably clear” standard that the Court set forth in *Atascadero*,¹⁴⁰ Congress enacted and codified the PPVPRCA¹⁴¹ to

133. In addition to dismissing the patent owner’s infringement claims based on state immunity, the *Chew* court also dismissed the patent owner’s takings claims. *See id.* at 331-32. The court concluded that the proper party for a claim that Congress’ failure to abrogate qualified as a taking of property was the United States, not the state. The court further decided that a state takings claim also failed because a patent infringement suit was not the proper method of bringing a takings claim. *See id.* at 336.

134. *See id.* at 334. The Federal Circuit explicitly stated that it did not address the issue of whether Congress had the authority to subject the states to patent infringement suits under its Article I, Section 8, Clause 8 power. *See id.*

135. *Id.* (quoting 35 U.S.C. § 271(a) (1982)).

136. *See id.* at 334-35.

137. *See id.* at 335 (stating that the *Atascadero* rule was not met because the statute’s language was not clear and claiming that an exclusive federal remedy was not grounds for supporting abrogation).

138. The patent holder in *Chew* sought damages. *See id.* at 333.

139. *See* *Jacobs Wind Elec. Co. v. Florida Dep’t of Transp.*, 919 F.2d 726, 728 (Fed. Cir. 1990) (applying the *Chew* holding to a plaintiff seeking declaratory relief). Just prior to the PPVPRCA, a district court decided that a state university, as an arm of the state, was immune to a counterclaim by alleged infringers who sought a declaration that a patent licensed by the university was invalid and not infringed. *See Ciba-Geigy Corp. v. Alza Corp.*, 804 F. Supp. 614, 625-26 (D.N.J. 1992). The *Ciba-Geigy* court also held that the university had not intended to consent to suit in federal court. *See id.* at 626. The university initially agreed to waive immunity through a contractual provision in which the university was allowed to initiate or defend against litigation connected to the licensing of its patent. *See id.* Prior to the defendant’s counterclaim seeking a declaratory judgment (but after the licensee initiated the infringement suit against the defendant), the university amended the contract and agreed to be bound by any judgment entered in a patent infringement suit, thereby retaining its immunity. *See id.*

140. *See supra* notes 77-79, 89-95, and accompanying text (describing *Atascadero*’s holding.)

establish explicitly that states could be subject to infringement suits in federal court.¹⁴² The legislation amended the patent code by defining the term "whoever" in section 271 as inclusive of "any State, any instrumentality of a State, and any officer or employee of a State or instrumentality of a State acting in his or her official capacity."¹⁴³ The legislation also added section 296 to chapter 29 of title 35 to abrogate expressly Eleventh Amendment immunity from suits involving "infringement of a patent under section 271, or . . . any other violation under this title."¹⁴⁴ Finally, the legislation provided that all remedies available against a private entity are similarly available against a state, including damages, interest, costs, treble damages, and attorney fees.¹⁴⁵

Congress asserted that it had enacted the PPVPRCA within its constitutional powers, claiming authority under the Patent Clause, the Commerce Clause, and Section 5 of the Fourteenth Amendment.¹⁴⁶ Because Congress has exclusive power over patents under the Patent Clause, Congress reasoned that abrogation "logically falls within [its] power to protect patent holders."¹⁴⁷ Congress also relied on the Court's recent decision in *Union Gas*, claiming that states had granted Congress the ability to regulate interstate commerce and therefore had surrendered their sovereign immunity.¹⁴⁸ Thus, the legislative history indicates that in abrogating immunity from patent suits in the PPVPRCA, Congress believed it was acting justifiably within its Commerce Clause powers.¹⁴⁹ Finally, Congress claimed that the PPVPRCA was "an acceptable method of enforcing the provisions of the [F]ourteenth [A]mendment."¹⁵⁰ Because federal courts previously found that patents are property,¹⁵¹ the provision of the Fourteenth Amendment that prohibited the

141. See *supra* notes 7-12 and accompanying text (detailing the PPVPRCA).

142. See S. REP. NO. 102-280, at 7 (1992), reprinted in 1992 U.S.C.A.N. 3087, 3093 ("To remedy the application of *Atascadero* to intellectual property laws, Senator DeConcini introduced [the PPVPRCA] to explicitly establish that Congress did intend to subject States to patent infringement suits in Federal court.").

143. 35 U.S.C. § 271(h) (1994).

144. See *id.* § 296(a).

145. See *id.* § 296(b).

146. See S. REP. NO. 102-280, at 7-8.

147. *Id.* at 8. In its report, the Senate argued that the Patent Clause was included as part of the Constitution because state patent systems were ineffective due to their non-uniformity. See *id.*

148. See *id.*

149. See *id.*

150. *Id.* at 8; see also *supra* note 21 and accompanying text (discussing Congress' power to abrogate sovereign immunity under Section 5 of the Fourteenth Amendment).

151. See S. REP. NO. 102-280, at 8 (recognizing that a patent is a form of property worthy of compensation if infringed) (citing *Leimelson v. Ampex Corp.*, 372 F. Supp. 708, 711-13 (N.D. Ill. 1974)).

government from depriving an individual of property without due process of law applied to patents, where Section 5 confers upon Congress the power to enforce this right.¹⁵²

Congress offered several reasons for abrogating state immunity from patent suits in the PPVPRCA. First, Congress claimed that allowing states to infringe patents discouraged future innovation, thereby inhibiting Congress from carrying out its constitutional duty to promote the progress of science under Article I, Section 8, Clause 8.¹⁵³ Second, Congress argued that prior to the passage of the PPVPRCA, a patent holder's protection from infringement was contingent upon the alleged infringer's status. For example, a patent holder could sue a private school for infringement, but the Eleventh Amendment protected a public school from a similar infringement suit.¹⁵⁴ Third, because the Federal Government¹⁵⁵ and private individuals were subject to patent suits in federal court, states were the only entities immune from such suits.¹⁵⁶ Congress could find no justification for this distinction, noting that the "text of the Patent Code and relevant authority demonstrates that Congress did not intend to exclude States from liability [for infringement]."¹⁵⁷ By enacting the PPVPRCA, Congress strove to correct these inequities by providing uniform protection and remedies¹⁵⁸ within the federal

152. See *id.* at 8 (claiming that the PPVPRCA was a "valid extension of Congress's right to protect the property rights of patent . . . holders.").

153. See *id.*

154. The Senate Report states that:

A public school such as UCLA can sue a private school such as USC for patent infringement, yet USC cannot sue UCLA for the same act State universities should not have an unjustified advantage in the commercial arena over private universities for funding because of the potential for immunity from patent infringement actions.

See *id.* at 9.

155. Although Congress claimed that the Federal Government consented to patent suits in federal court under 28 U.S.C. § 1498, see *id.* at 9, the liability of the United States is limited in comparison to a private individuals' liability for infringement. The court in *Chew* makes this point clear in stating that:

Congress has . . . not provided a forum for patent infringement suits against the United States in Title 35. Rather it has provided for a suit for compensation in the United States Claims Court where 'a [patented] invention is used or manufactured by or for the United States.' 28 U.S.C. § 1498 (1982). Such suit is based on principles related to the taking of property . . . and subjects the United States to payment of appropriate compensation therefor, not to the liability or relief (such as treble damages) provided in the patent statute.

Chew v. California, 893 F.2d 331, 336 (Fed. Cir. 1990).

156. See S. REP. NO. 102-280, at 9.

157. *Id.*

158. Congress considered and rejected a proposal to limit the award of attorney fees and costs and prohibit the award of treble damages in patent suits against states and state instrumentalities. See *id.* at 9-11. Congress rejected the limit of attorney fees based on the rationale that such a limitation unfairly restricted the plaintiff's ability to be fully compensated.

patent system.¹⁵⁹

C. Judicial Interpretation of State Immunity from Patent Suits Following the PPVPRCA

Although it is clear that Congress intended to treat states and nongovernmental entities equally in infringement actions, the treatment of other actions arising under the patent title was not as clear.¹⁶⁰ However, the Federal Circuit quickly interpreted the PPVPRCA as abrogating state immunity to declaratory judgment patent actions as well.¹⁶¹ Less than a year after passage of the PPVPRCA, in *Genentech, Inc. v. Eli Lilly and Co.*,¹⁶² the Federal Circuit denied the University of California immunity from a suit by a company seeking a declaratory judgment that the university's patent was invalid and not infringed.¹⁶³

The Genentech litigation involved a number of lawsuits filed in California and Indiana district courts by or against three parties, Genentech, Inc. ("Genentech"), Eli Lilly and Co. ("Lilly"), and the University of California ("UC").¹⁶⁴ In brief, UC owned a patent involving the use of recombinant DNA technology for the production of human growth hormone ("hGH").¹⁶⁵ After negotiating with several companies, including Genentech, UC ultimately granted an exclusive license to Lilly.¹⁶⁶ Lilly demanded that UC sue Genentech for infringement, and after accusing Genentech of infringement and threatening to sue, UC filed an infringement suit on August 7, 1990 in the Northern District of California.¹⁶⁷ In response to UC's threats to sue, however, Genentech had already filed a declaratory judgment

See id. Congress similarly rejected the prohibition of treble damages based on the fact that treble damages are awarded only in cases of willful infringement, *see* 35 U.S.C. § 284, concluding that states should be as liable as private parties for such egregious violations of patent law, *see* S. REP. NO. 102-280, at 10.

159. *See supra* note 10 (quoting explicit statutory language of the PPVPRCA); *supra* note 142 (noting congressional intent).

160. *See supra* notes 124-25 and accompanying text.

161. 998 F.2d 931 (Fed. Cir. 1993).

162. *See id.*

163. *See id.* at 949. The court noted that changes in the law usually apply to pending cases. *See id.* at 944 (citing *Bradley v. School Bd.*, 416 U.S. 696, 711 (1974)).

164. *See, e.g., In re Regents of Univ. of Cal.*, 101 F.3d 1386 (Fed. Cir. 1996), *cert. denied*, 520 U.S. 1193 (1997); *Genentech, Inc. v. Eli Lilly & Co.*, 998 F.2d 931 (Fed. Cir. 1993); *Genentech, Inc. v. Regents of Univ. of Cal.*, 952 F. Supp. 617 (S.D. Ind. 1996); *Genentech, Inc. v. Regents of Univ. of Cal.*, 939 F. Supp. 639 (S.D. Ind. 1996), *rev'd in part and remanded*, 143 F.3d 1446 (Fed. Cir.), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731); *Regents of Univ. of Cal. v. Eli Lilly & Co.*, 734 F. Supp. 911 (N.D. Cal. 1990).

165. *See Genentech*, 998 F.2d at 935.

166. *See Genentech*, 939 F. Supp. at 644 (reporting that the UC-Lilly agreement included a provision allowing Lilly to demand that UC sue for any infringements in federal court).

167. *See id.* at 640, 644.

action against UC in the Southern District of Indiana on August 6, 1990, one day prior to UC's filing.¹⁶⁸ Genentech asked for a declaratory judgment that the UC hGH patent was "invalid, unenforceable and noninfringed."¹⁶⁹ The Indiana district court dismissed Genentech's declaratory judgment action a year prior to the passage of the PPVPRCA,¹⁷⁰ and Genentech appealed to the Federal Circuit. When the Federal Circuit issued a decision in 1993, it held that UC was not immune from the patent action, ultimately vacating the dismissal as to the patent counts and remanding the case to the district court.¹⁷¹

The Federal Circuit noted that several exceptions existed even though a state generally was immune from suit in federal court under the Eleventh Amendment.¹⁷² First, Congress could abrogate state immunity based on the enforcement provision of the Fourteenth Amendment or on its Commerce Clause power, provided that the statute was explicit and clearly expressed Congress' intent to make states amenable to suit in federal court.¹⁷³ Second, a state could waive its immunity by consent to suit in federal court,¹⁷⁴ where such a waiver

168. See *id.*

169. See *id.* at 640.

170. See *Genentech, Inc. v. Eli Lilly & Co.*, No. IP 90-1697-C (S.D. Ind. Mar. 7, 1991), cited in *Genentech*, 998 F.2d at 935 n.1. The Indiana district court dismissed the declaratory judgment claim in 1991 based on two rationales. See *Genentech*, 998 F.2d at 939. First, because the case was decided prior to the PPVPRCA, it held that UC was immune under the Eleventh Amendment. See *id.* Second, the court relied on a Seventh Circuit decision and held that a declaratory judgment action for noninfringement should be dismissed if it was filed in anticipation of an infringement suit. See *id.* at 937 (holding that a declaratory judgment action for noninfringement in a trademark suit should be dismissed if an infringement suit is later filed) (citing *Tempco Elec. Heater Corp. v. Omega Eng'g, Inc.*, 819 F.2d 746 (7th Cir. 1987)).

171. See *id.* at 949. The Federal Circuit first vacated the Indiana district court's decision to dismiss Genentech's declaratory judgment action because UC later filed an infringement suit. See *id.* at 936-39. In holding that the lower court abused its discretion in applying *Tempco* to patent actions, the court decided that first-filed actions were favored unless economics and efficiency dictated otherwise. See *id.* at 937. The court declared that applying *Tempco* to patent cases not only led to forum shopping on the part of the patent holder, but also contradicted the purpose of the Declaratory Judgment Act, which was to allow the accused to actively obtain a resolution in a dispute rather than passively wait until the accuser initiated an action. See *id.* at 937-38.

172. See *id.* at 939 ("There are qualifications to the reach of the Eleventh Amendment . . . in implementation of the constitutional plan.").

173. See *id.* at 939-41 (citing *Fitzpatrick v. Bitzer*, 427 U.S. 445, 456 (1976)). Notably, the Federal Circuit cited *Union Gas* as the basis of its decision that Congress could abrogate immunity under the Commerce Clause. See *id.* (citing *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 19-23 (1989), overruled by *Seminole Tribe v. Florida*, 517 U.S. 44 (1996)). The Federal Circuit's reliance on this decision is problematic because the *Seminole Tribe* Court overruled *Union Gas*. See *supra* notes 111-13 and accompanying text (discussing the Court's rationale for overruling *Union Gas*).

174. See *id.* at 940 ("[T]he Court consistently has held that a State may consent to suit against it in federal court." (quoting *Pennhurst State Sch. & Hosp. v. Halderman*, 465 U.S. 89, 99 (1984))).

was manifest in a state constitution or statute,¹⁷⁵ or clear state conduct.¹⁷⁶ Because the court was able to reach a decision based on abrogation, it did not address whether UC had waived its immunity to suit in federal court by using "its power to sue and be sued for the purpose of conducting and threatening patent litigation in federal court."¹⁷⁷

The Federal Circuit rejected UC's claim that Congress only abrogated state immunity for cases involving patent infringements by the state,¹⁷⁸ concluding instead that the PPVPRCA applied to "all violations under Title 35 with respect to a patent owned by the state."¹⁷⁹ In reaching this decision, the court analyzed the plain meaning of the statutory text, the intent of Congress in enacting the legislation, and the legislative history.¹⁸⁰ The PPVPRCA abrogated state immunity "for infringement . . . or for any other violation under [title 35],"¹⁸¹ and the court claimed that the application of the statute was not limited to the facts of state infringement cases like *Chew and Jacobs Wind Electric Co. v. Florida Department of Transportation*.¹⁸² Although the headings of sections 271 and 296 of title 35 of the United States Code only refer to "infringement," the court stated that one cannot look to the headings alone when interpreting a statute.¹⁸³ The mere fact that the text at issue was broader than the heading under which it appeared was not dispositive in that the text did not contradict the headings.¹⁸⁴ The court further concluded that the legislative history confirmed Congress' intent to subject states to federal patent law.¹⁸⁵ The court reasoned that by promulgating the

175. See *id.* (citing *Port Auth. Trans-Hudson Corp. v. Feeney*, 495 U.S. 299 (1990)).

176. See *id.* (citing *Clark v. Barnard*, 108 U.S. 436, 447 (1883)).

177. *Id.* ("It has become unnecessary to decide this [waiver of immunity] question broadly, for in legislation enacted October 28, 1992 Congress abrogated state immunity from suit for violation of patent law.").

178. UC argued that the enactment related to instances where the state infringed a patent, but did not abrogate state immunity to declaratory judgment actions against the state. See *id.* at 941.

179. *Id.* at 943. This conclusion that Congress abrogated immunity to declaratory judgment actions as well as infringement actions under its Article I powers cannot stand after *Seminole Tribe*. See *Genentech v. Regents of the Univ. of Cal.* 143 F.3d 1446, 1449 (Fed. Cir.), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731); see also *infra* Part III.B.2.

180. See *Genentech*, 998 F.2d at 942-43. The court began its interpretation of the statute by looking at the plain meaning of the text and the legislative intent and only considered legislative history when the result of applying the literal interpretation of the statute was at odds with the legislative intent. See *id.* at 942 (citing *Griffin v. Oceanic Contractors, Inc.* 458 U.S. 564, 571 (1982)).

181. 35 U.S.C. § 296(a) (1994).

182. 919 F.2d 726 (Fed. Cir. 1990); see *Genentech*, 998 F.2d at 942.

183. See *Genentech*, 998 F.2d at 942 (citing *Brotherhood of R.R. Trainmen v. Baltimore & Ohio R.R.*, 331 U.S. 519, 528-29 (1947)).

184. See *id.*

185. See *id.*

patent amendments, Congress attempted to close a "loophole" in the patent code.¹⁸⁶ Interpreting the statute as only applying to actions against states for infringement would defeat the goal of placing "the states in the same position as nongovernmental entities as to the patent law."¹⁸⁷

In specifically addressing the declaratory judgment action, the court found that UC was not immune from Genentech's action, which sought a declaratory judgment that the patent in question was invalid.¹⁸⁸ In the PPVPRCA, Congress did not condition state immunity on the procedure under which the claims were raised,¹⁸⁹ where the Declaratory Judgment Act is a procedural device as opposed to a substantive claim.¹⁹⁰ The court concluded that Genentech's declaratory action arose under patent law and was therefore covered by the legislative abrogation of immunity.¹⁹¹ Holding otherwise, the court stated, would result in an unequal application of the law to states in comparison to nongovernmental entities, which would contradict congressional intent.¹⁹² The Federal Circuit decision therefore prevented a state from enforcing its invalid patent against an alleged infringer.

III. JUDICIAL INTERPRETATION OF STATE IMMUNITY FROM PATENT SUITS AFTER *SEMINOLE TRIBE*

Because of its duration and complexities, the Genentech litigation introduced in the previous section serves as a model for examining the scope of state immunity from patent infringement and other

186. See *id.* ("It would be incorrect to truncate the statute . . . [and] thereby . . . reopen the loophole that the statute was designed to close.").

187. *Id.* (citing 35 U.S.C. §§ 271 (h), 296 (1994)).

188. See *id.* at 944 ("We conclude that Genentech's declaratory action . . . is within the statutory abrogation of state immunity, for the counts of the complaint that arise under the patent law.").

189. See *id.* at 943.

190. See *id.* (noting that the Declaratory Judgment Act provides a procedure for obtaining a declaration of legal rights and relations as opposed to a substantive right) (citing *Skelly Oil Co. v. Phillips Petroleum Co.*, 339 U.S. 667, 671-72 (1950)). The court further noted:

[T]he declaratory judgment procedure may be invoked when there is a controversy concerning an assertion of substantive rights under the Patent Act. To determine . . . immunity as to a particular cause of action it is necessary to look to the substantive violation and other relevant criteria, not to the procedure for obtaining relief.

Id.

191. See *id.* (holding that an action for a declaratory judgment that a patent is invalid arises under the patent law) (citing *C.R. Bard, Inc. v. Schwartz*, 716 F.2d 874, 879-80 (Fed. Cir. 1983)); see also EDWIN BORCHARD, *DECLARATORY JUDGMENTS* 808 (2d ed. 1941) (stating that declaratory actions by the patent holder or the alleged infringer claiming infringement or invalidity arise under patent law), cited in *Genentech*, 998 F.2d at 943.

192. See *Genentech*, 998 F.2d at 943.

actions brought under patent law after *Seminole Tribe*.¹⁹³ The Indiana district court's decision, on remand from the Federal Circuit, to grant UC immunity,¹⁹⁴ as well as the briefs filed by UC,¹⁹⁵ Genentech,¹⁹⁶ and the United States¹⁹⁷ and the 1998 decision in Genentech's appeal to the Federal Circuit,¹⁹⁸ make it apparent that the Supreme Court's interpretation of the Eleventh Amendment remains unclear. What is clear, however, is that to ensure uniformity, states must occupy the same position as nongovernmental entities with respect to all patent law, regardless of whether uniformity is reached through abrogation or implied waiver. Only through such uniformity will Congress be able to fulfill its obligation to "promote the Progress of Science," as set forth in Article I,¹⁹⁹ and prevent states from infringing patents and from enforcing invalid state-owned patents against alleged infringers.

A. Genentech, Inc. v. Regents of University of California: *The District Court Decision*

Upon remand from the Federal Circuit,²⁰⁰ the United States District Court for the Southern District of Indiana relied on the Supreme Court's decision in *Seminole Tribe*²⁰¹ to grant UC a dismissal.²⁰²

193. Because the litigation began prior to Congress' enactment of the PPVPRCA in 1992 and the parties appealed several of the district court decisions, see *supra* notes 170-71 and accompanying text, the *Genentech* case not only raises complex issues regarding state immunity from the patent code, but also tracks much of the Court's recent Eleventh Amendment jurisprudence. The Federal Circuit's decision regarding state immunity from infringement suits in *College Savings v. Florida Prepaid Postsecondary Education Expense Board*, 148 F.3d 1343 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531), will be discussed briefly as well.

194. See *Genentech, Inc. v. Regents of Univ. of Cal.*, 939 F. Supp. 639, 641 (S.D. Ind. 1996) (dismissing the case under new case law), *rev'd in part and remanded*, 143 F.3d 1446 (Fed. Cir.), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731).

195. See Brief for Appellee, *Genentech, Inc. v. Regents of the Univ. of Cal.*, 939 F. Supp. 639 (S.D. Ind. 1996) (No. 90-1679-C) [hereinafter Brief for Appellee].

196. See Corrected Brief for Appellant, *Genentech, Inc. v. Regents of the Univ. of Cal.*, 939 F. Supp. 639 (S.D. Ind. 1996) (No. 90-1679-C) [hereinafter Corrected Brief for Appellant].

197. See Brief for Intervenor, *Genentech, Inc. v. Regents of the Univ. of Cal.*, 939 F. Supp. 639 (S.D. Ind. 1996) (No. 90-1679-C) [hereinafter Brief for Intervenor].

198. See *Genentech*, 143 F.3d 1446 (Fed. Cir. 1998). The Federal Circuit heard oral arguments on September 8, 1997 and issued a decision on May 4, 1998. UC petitioned for certiorari on November 3, 1998.

199. U.S. CONST. art. I, § 8, cl. 8 (stating that Congress shall have the power "to promote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries").

200. See *supra* notes 171 and accompanying text. Following the Federal Circuit's 1993 decision, Genentech and Lilly reached a settlement. See *Genentech, Inc. v. Regents of Univ. of Cal.*, 939 F. Supp. 639, 640 n.1 (S.D. Ind. 1996) (discussing settlements, resolutions, and on-going litigation related to the human growth hormone patent), *rev'd in part and remanded*, 143 F.3d 1446 (Fed. Cir.), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731). Thus, the only parties remaining in the 1996 district court decision, see *infra* Part III.A, and the subsequent appeal in the Federal Circuit, see *infra* Part III.B, were UC and Genentech.

201. See *supra* Part I.C.

Approximately one month after the *Seminole Tribe* decision, UC filed a motion to dismiss the ongoing Genentech litigation based on its Eleventh Amendment immunity. UC claimed that the Court's decision in *Seminole Tribe* precluded a declaratory judgment action against it.²⁰³ The district court conceded that Congress rightfully exercised its powers under the Fourteenth Amendment to abrogate state immunity in cases in which a patent owner, and therefore a property owner, brings an infringement action against a state.²⁰⁴

202. See *Genentech*, 939 F. Supp. at 646. Although Genentech admitted that the *Seminole Tribe* decision included broad language concerning limits on Congress' Article I powers, Genentech claimed that the Patent and Copyright Clause and the Fourteenth Amendment gave Congress the power to abrogate state immunity to patent suits. See *id.* at 642. Apparently, Genentech interpreted the "sweeping language" in *Seminole Tribe* as only applying to the Article I Commerce Clause and not the Patent and Copyright Clause, which also falls under Article I.

203. See *id.* at 641-42. Noting that exclusive federal jurisdiction over an area of law does not influence state immunity from suit, the Court in *Seminole Tribe* held that Congress could not use its Article I powers to circumvent Article III limitations on federal jurisdiction. See *id.* at 642-43 (citing *Seminole Tribe v. Florida*, 517 U.S. 44, 72-73 (1996)); see also *supra* note 113 (noting that there is no distinction between the Indian Commerce Clause and the Interstate Commerce Clause).

204. See *Genentech*, 939 F. Supp. at 643. The court noted that if Genentech owned a patent and was suing UC for infringement, Congress could abrogate UC's immunity under its Fourteenth Amendment enforcement power to prevent the state from depriving a person of property without due process of law. See *id.* Similarly, another district court concluded that under the enforcement provision of Fourteenth Amendment, Congress could abrogate state immunity "for claims under the Patent Act." See *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 948 F. Supp. 400, 425 (D.N.J. 1996), *aff'd*, 148 F.3d 1343 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531).

The court in *College Savings* further stated, however, that Congress could enact legislation to subject states to suit in federal court when states deprived patent holders of their property without compensation or due process. See *id.* Because the facts of *College Savings* were limited to patent infringement by the state, and not a declaratory judgment action against the state, it is not clear if the court would have extended its decision to encompass declaratory judgment actions. It is clear, however, that the district court in *College Savings* read the Fourteenth Amendment broadly in applying it to abrogation of state immunity from infringement claims. The district court also argued that the Fourteenth Amendment gives enforcement power to Congress as to all provisions of Fourteenth Amendment, not just the Equal Protection Clause; that when the states ratified the Fourteenth Amendment, they surrendered immunity from suits for deprivation of property; that Section 5 of the Fourteenth Amendment is not limited to intentional violations but can be used for actions that effectively, though unintentionally, violate the amendment; and that *Seminole Tribe* did not foreclose Congress' power to abrogate under the Fourteenth Amendment. See *id.* at 422-25. Notably, there has been confusion in the district courts about the effect of *Seminole Tribe* on Congress' ability to abrogate state immunity from patent actions, as the *Genentech* and *College Savings* decisions as well as a California district court's note in *Gen-Probe, Inc. v. Amoco Corp.* demonstrate. See *Gen-Probe, Inc. v. Amoco Corp.*, 926 F. Supp. 948, 954 n.6 (S.D. Cal. 1996) (noting that the *Seminole Tribe* decision "would probably compel the conclusion that the patent code cannot abrogate a state's Eleventh Amendment immunity"). The Federal Circuit recently issued decisions in the *Genentech* and *College Savings* appeals, thereby providing some clarification of the scope of state immunity from patent actions. See *infra* Part III.B.2.

Just prior to publication the Supreme Court granted certiorari to *College Savings* and will hear arguments concerning state immunity from an infringement suit. Hopefully the court also will grant certiorari in the *Genentech* case to clarify further its Eleventh Amendment jurisprudence when complexities such as declaratory judgment actions and implied waivers arise. See *infra* notes 205-10 and accompanying text.

Nevertheless, the district court dismissed the action, concluding that Congress' power to abrogate state immunity under the Fourteenth Amendment did not extend to declaratory judgment actions.²⁰⁵ The court reasoned that the private party suing the state owned no patent and therefore had no protectable property right upon which it could claim that it was deprived without due process.²⁰⁶

As to implied waiver, the district court in *Genentech* held that UC did not waive its immunity despite UC's participation in patent and licensing processes.²⁰⁷ The court acknowledged Genentech's concern that if UC's conduct did not waive its immunity, it could procure patents and file infringement suits in federal courts without the threat of a declaratory action being filed against it, effectively giving UC an exclusive position.²⁰⁸ The court concluded, however, that UC's patent procurement hardly demonstrated consent to federal suit, that UC's agreement with Lilly requiring UC to bring infringement suits did not constitute consent, and that UC's threats to sue Genentech also were insufficient.²⁰⁹ More importantly, the court decided that no authority existed to support a finding of UC's consent to suit in the Indiana district court, despite the fact that UC consented to suit in California when it filed an infringement suit in a California district court one day after Genentech filed its declaratory action in

205. See *Genentech*, 939 F. Supp. at 646.

206. See *id.* at 643. "UC is the patent owner, and Genentech has commenced a declaratory judgment action against UC. Consequently, Genentech has no property right in the subject patent. Moreover, Genentech has no protectable property right of which it has been deprived without due process of law." *Id.*

207. See *id.* at 645 ("This Court is not inclined to extend the current case law on waiver to include the conduct in issue in the instant case."). Genentech had claimed that UC consented to suit when it obtained a patent, licensed the patent, agreed to enforce the patent, subsequently threatened to file, and ultimately filed an infringement claim against Genentech in response to Lilly's demands. See *id.* at 644.

Although the Indiana district court avoided discussing the implied waiver doctrine or its status after *Seminole Tribe* in deciding that UC had not waived its immunity, another district court addressed the issue in the *College Savings* patent infringement case. The district court in *College Savings* held that by engaging in activity that Congress indicated would subject it to suit in federal court, a state did not waive its immunity from suit. See *College Savings*, 948 F. Supp. at 420. Relying on the logic presented by Justice Scalia in *Union Gas*, the district court concluded that *Seminole Tribe* overruled *Parden* by implication; a different conclusion would allow Congress to achieve indirectly through waiver what it could not do directly through abrogation. See *id.* at 419 ("*Parden* has been overruled by implication by *Seminole Tribe* to the extent that *Parden* held that Congress . . . may explicitly condition a state's participation in a particular market on its waiver of immunity from suit." (citing *Pennsylvania v. Union Gas Co.*, 491 U.S. 1, 42-44 (1989) (Scalia, J., concurring in part and dissenting in part), overruled by *Seminole Tribe v. Florida*, 517 U.S. 44 (1996))); cf. *Union Gas*, 491 U.S. at 43 (Scalia, J., concurring in part and dissenting in part) ("There are obvious and fatal difficulties in acknowledging [the *Parden* holding] if not Commerce Clause power to abrogate state sovereign immunity exists.").

208. See *Genentech*, 939 F. Supp. at 644-45.

209. See *id.* at 646.

Indiana.²¹⁰

B. Genentech, Inc. v. Regents of University of California: *The Federal Circuit Appeal and Decision*

Genentech appealed the order of the United States District Court of Indiana to the United States Court of Appeals for the Federal Circuit.²¹¹ UC filed an opposition brief²¹² and the United States intervened.²¹³

1. *The briefs filed on appeal*

In its brief, Genentech argued that Congress effectively abrogated Eleventh Amendment immunity from suits for all violations of the patent laws²¹⁴ or, in the alternative, UC's conduct effectively waived its

210. See *id.* at 645 ("[W]hen UC allegedly responded to Lilly's demand by filing a suit in federal court against Genentech, UC undoubtedly consented to such suit [in the California, but not in the Indiana, district court]."). In an apparent contradiction to this holding, however, the court admitted that the Indiana and California cases were "mirror images" and decided that although UC did not consent to the declaratory judgment action in Indiana, discovery conducted in the declaratory judgment case was fully applicable to the California infringement case. See *id.* at 646.

211. See Corrected Brief for Appellant, *supra* note 196.

212. See Brief for Appellee, *supra* note 195.

213. See Brief for Intervenor, *supra* note 197.

214. See Corrected Brief for Appellant, *supra* note 196, at 16-20. In arguing that Congress effectively abrogated Eleventh Amendment immunity, Genentech addressed Congress' intent, Congress' power, and the Indiana district court's 1996 decision. First, Genentech claimed that in the PPVPRCA, Congress clearly and unequivocally abrogated state immunity from suits arising under all patent laws, not simply infringement actions. See *id.* at 17-18. Next, Genentech argued that even after *Seminole Tribe*, Congress had the power to abrogate immunity under Section 5 of the Fourteenth Amendment. See *id.* at 18. Noting that Congress invoked the Fourteenth Amendment in addition to the Article I Commerce and Patent Clauses in promulgating the PPVPRCA, Genentech stated that the *Seminole Tribe* Court did not overrule *Fitzpatrick* or its holding that Congress could abrogate state immunity in enforcing the provisions of the Fourteenth Amendment. See *id.* at 18-19. Genentech further claimed that the issue was not whether Genentech was deprived of a cognizable property interest, but whether Congress could create a uniform patent system to adjudicate and enforce property rights, "including provisions designed to prevent the misuse of such rights." See *id.* at 23. Finally, in challenging the district court's decision that a deprivation only could arise if UC secured injunctive relief in its infringement action against Genentech, Genentech argued that it was deprived of a property interest once UC threatened suit. See *id.* at 23.

In arguing that the threat was injurious, Genentech noted that after enactment of the Declaratory Judgment Act, a patent holder's competitors no longer had to abandon their business or continue to incur potential liability for infringement, but rather could sue for a judgment on the conflict. See *id.* at 24 ("After the Act, those competitors were no longer restricted to an *in terrorem* choice between the incurrence of a growing potential liability for patent infringement and abandonment of their enterprises; they could clear the air by suing for a judgment that would settle the conflict of interests." (citing *Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 734-35 (Fed. Cir. 1988))). UC's threat to file suit disrupted Genentech's commercial activities and business. See *id.* (noting that Genentech had been on the market for five years and had built a substantial and valuable enterprise for the manufacture and sale of human growth hormone by the time UC threatened Genentech with an infringement action). This threat deprived Genentech of a "cognizable property interest" protected from state interference under the Fourteenth Amendment. See *id.* at 25.

immunity from the declaratory judgment action.²¹⁵

In its opposition brief, UC argued that Congress had no power under the Fourteenth Amendment to abrogate immunity from declaratory judgment actions.²¹⁶ Further, UC claimed that the Court overruled the *Parden* doctrine of implied waiver in *Welch* and *Seminole Tribe*,²¹⁷ and therefore, neither UC's participation in the patent process nor its filing of an infringement suit against Genentech waived its Eleventh Amendment immunity.²¹⁸

The United States intervened in the action and filed a brief that addressed both the abrogation and implied waiver issues.²¹⁹ On the abrogation issue, the United States argued only that Congress had the power to abrogate immunity as to infringement.²²⁰ The United

215. Genentech argued alternatively that UC's conduct relating to the acquisition of the patent, the licensing of the patent, and the enforcement of the patent waived its sovereign immunity. See *id.* at 26-30. Relying on previous Supreme Court decisions, Genentech claimed UC waived its immunity under the *Parden* implied waiver doctrine. See *id.* at 27; see, e.g., *Welch v. Texas Dep't Highways & Pub. Transp.*, 483 U.S. 468, 478 (1987) (holding that *Parden* is inapplicable if Congress does not use clear language to condition state participation in federal program on amenability to suit), *overruling in part Parden v. Terminal Ry. of Ala. Docks Dep't*, 377 U.S. 184, 192 (1964); *Employees of the Dep't of Pub. Health & Welfare v. Missouri*, 411 U.S. 271, 284 (1973) (applying *Parden* to a situation in which the state operated business for profit in an area where private persons or corporations normally control the business, but not where the state operates a non-profit enterprise); *Parden*, 377 U.S. at 192 (holding that operating a state railroad in interstate commerce where Congress conditioned such operation upon amenability to federal suit waived immunity). UC conducted "business for profit in an area where private persons and businesses normally run the enterprise," obtained and exploited many federal patents through licensing agreements, and initiated and litigated suits in enforcing its patent rights. See Corrected Brief for Appellant, *supra* note 196, at 28. Additionally, Genentech argued that it was empowered to commence a declaratory judgment action against UC based on UC's threats to file an infringement suit. See *id.* at 29 (claiming that through its threats, UC created in Genentech a "reasonable apprehension" of an infringement suit) (citing *Arrowhead*, 846 F.2d at 736). Any other result, noted Genentech, "would create inequality and prejudice to non-state actors in the system." See *id.* at 30.

216. See Brief for Appellee, *supra* note 195. UC argued that the issue related only to the declaratory judgment action, and thus the court should decide only this issue. See *id.* at 21 n.3 (claiming that *College Savings* does not affect the UC litigation); cf. *id.* at 18 n.3 (claiming that UC probably is immune from patent infringement suits as well as declaratory actions). UC also claimed that after *Seminole Tribe*, Congress had no power to abrogate immunity under its Article I powers. See *id.* at 19-20. The Fourteenth Amendment similarly provided no authority, UC argued, because Genentech did not own a patent and therefore had no protectable property interest. See *id.* at 20-24 (noting that the patent amendments were not appropriate legislation for enforcing the Fourteenth Amendment as to declaratory judgments because no property was involved). The Supreme Court recently limited the scope of Congress' ability to enforce the provisions of the Fourteenth Amendment: Congress may take remedial and preventative measures, but cannot make substantive changes in the law. See *City of Boerne v. Flores*, 527 U.S. 507 (1997), *rev'g* 83 F.3d 421 (5th Cir. 1996); see also *infra* note 238 and accompanying text (discussing *College Savings'* treatment of Congress' power to abrogate immunity under the Fourteenth Amendment).

217. See Brief for Appellee, *supra* note 195, at 29-33 (arguing that in light of the *Seminole Tribe* decision, Congress could not abrogate nor waive Eleventh Amendment immunity under its Article I powers).

218. See *id.* at 33.

219. See Brief for Intervenor, *supra* note 197.

220. "Patents are a form of constitutionally protected property, and Congress had the

States, however, did support Genentech's view that the Court did not overrule the *Parden* implied waiver doctrine and that UC's participation in commercial activities constructively waived its immunity to the declaratory judgment suit.²²¹ Finally, the United States asserted that the *Seminole Tribe* decision did not destroy Congress' power to abrogate immunity under all Article I powers, such as the power conferred in the Patent Clause.²²² Rather, the United States limited its interpretation of *Seminole Tribe* to eviscerating Congress' power under the Interstate and Indian Commerce Clauses only, noting that further expansion of immunity should be left to the Court.²²³

2. *The Federal Circuit decision*

Acknowledging that its 1993 *Genentech* decision based on *Union Gas* did not survive *Seminole Tribe*,²²⁴ the Federal Circuit concluded that UC waived its Eleventh Amendment immunity by constructively consenting to Genentech's declaratory judgment action.²²⁵ The court

authority under Section 5 of the Fourteenth Amendment to protect such property from state deprivation." *Id.* at 7. The United States explicitly took no position on whether Congress had the ability to abrogate state immunity from a declaratory judgment action against a state. *See id.*

221. *See id.* at 6 (noting that under *Parden*, "Congress may subject States to suit in federal court for actions arising out of their commercial activities"). In its brief, the United States claimed that the Court distinguished *Parden* in *Seminole Tribe* and did not question the implied waiver doctrine. *See id.* at 7. Because Congress intended to subject states to suit under the Patent Act, where UC sought protection under the act and royalties under the patent, the United States argued that UC waived its immunity through its continued involvement in these commercial activities. *See id.*

222. "*Seminole Tribe* does not require that the language of the Patent Clause be ignored in the course of applying *Parden* or in considering Congress's Fourteenth Amendment powers [The Patent Clause] language explicitly suggests the propriety of adding remedial rights to protect the substantive rights conferred under the patent laws." *Id.* at 17; *see also id.* at 8 (interpreting *Seminole Tribe* as possibly allowing Congress to abrogate state immunity under Article I powers that "materially differ" from the two commerce clauses).

223. *See id.* (arguing that the Federal Circuit should leave the scope of *Seminole Tribe*'s expansion of state immunity for future consideration).

224. *See Genentech v. Regents of the Univ. of Cal.*, 143 F.3d 1446, 1449 (Fed. Cir.) ("[I]n light of *Seminole Tribe* this court's ruling in *Genentech I* can not stand on the ground on which it was premised, whereby the unchallenged constitutionality of Public Law 102-560, as based on Article I and *Pennsylvania v. Union Gas*, was interpreted as embracing all actions under Title 35 including declaratory actions." (referring to *Genentech, Inc. v. Eli Lilly & Co.*, 998 F.2d 931 (Fed. Cir. 1993))), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731), *rev'g in part* 939 F. Supp. 639 (S.D. Ind. 1996).

225. *See id.* at 1453, 1454. Judge Newman authored the opinion and was joined by Judges Lourie and Rader. *See id.* at 1448. Assuming that, under the circumstances, the university was equivalent to the state, the Federal Circuit declined to consider whether the university was in fact an arm of the state for some purposes and not others. *See id.* at 1454 (noting that the decision did not require the court to analyze "the magnitude of the commercial component" in the relationship between research and disseminating research through patents and licenses). Nevertheless, the court found as a factor in deciding that UC waived its immunity the fact that commercially-oriented patenting and licensing was not at the core of the university charter. *See id.* at 1453-54.

The Federal Circuit also addressed several other issues in its decision that are beyond the

therefore based its decision on the doctrine of implied waiver and avoided having to resolve whether Congress, after *Seminole Tribe*, had the power to abrogate state immunity from patent suits under Article I of the Constitution or Section 5 of the Fourteenth Amendment.²²⁶ Nevertheless, the court did state that it would not read *Seminole Tribe* as foreclosing abrogation of immunity under all Article I congressional powers.²²⁷

Although constructive consent is rare,²²⁸ the Federal Circuit held that the university waived its Eleventh Amendment immunity by voluntarily creating a case or controversy that could be resolved only in federal court.²²⁹ The court recognized that patents are national, federally-created property interests under the exclusive jurisdiction of federal courts; however, it decided that obtaining the patent alone did not abrogate the state's immunity.²³⁰ Rather, UC constructively waived its immunity by actively invoking federal judicial power after entering a field subject to federal law.²³¹ The court explained that UC

scope of this Comment, but should be mentioned. First, it held that rulings made in this complicated litigation were preserved for appeal on final judgment. *See id.* at 1455. Second, the Court decided that the university's antitrust and other claims were compulsory counterclaims arising from the underlying declaratory judgment action. *See id.* at 1456. Thus, because the claims bore a "logical relationship" to the claims in the suit, they were to be litigated in the present action. *See id.*

226. *See id.* at 1452-53. The Federal Circuit chose not to decide whether the Fourteenth Amendment or Article I supported Congress' abrogation of state immunity as to patent-related declaratory judgment actions or infringement suits, noting that a decision on abrogation of immunity as to infringement suits was pending. *See id.* at 1453 (citing *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 148 F.3d 1343 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531)); *infra* at notes 235-38 and accompanying text (discussing the *College Savings* decision). Rather, the court concluded that the university, by its voluntary, litigation-related actions, constructively waived its immunity to the declaratory judgment action. *See Genentech*, 143 F.3d at 1453.

In analyzing the two criteria required to abrogate immunity (a clear statement of congressional intent to abrogate under a valid exercise of power), the court found that the PPVPRCA fulfilled the clear legislative statement requirement but refrained from deciding if Congress acted under a valid exercise of power. *See id.* at 1449, 1452. Notably, however, in finding an implied waiver, the Federal Circuit did not discuss whether Congress explicitly conditioned a state's enforcement of patent rights on its consent to suit in federal court. *See supra* notes 78-80 and accompanying text (discussing implied waiver under *Atascadero* and *Welch*). Presumably, because the court found that Congress expressed a clear intent to abrogate state immunity in sections 271 and 296 of title 35, then Congress also explicitly conditioned a state's participation in the federally-regulated activity on its consent to be sued in federal court for violations under the patent code. *See Genentech*, 143 F.3d at 1449; *see also supra* note 10 (quoting portions of sections 271 and 296).

227. *See Genentech*, 143 F.3d at 1451 (disagreeing with the district court's broad reading of *Seminole Tribe* that foreclosed abrogation of immunity under Article I powers).

228. *See id.* at 1453 (acknowledging that "imposition of consent to federal authority upon a state agency is rare").

229. *See id.*

230. *See id.* ("Waiver or consent requires more than a strong federal interest in the subject matter of the controversy. We do not hold that simply by the act of obtaining federal patents the University waived Eleventh Amendment immunity.").

231. *See id.* at 1453.

voluntarily obtained a national property right in its patent, sued Genentech for infringement in federal court, and threatened Genentech with a federally-imposed injunction.²³² UC attempted to argue that it simply was trying to obey the law by optimizing its property, but the court distinguished patents as national rights "independent of and ungovernable by state law."²³³ Because these voluntary and deliberate state actions constituted a constructive waiver of UC's Eleventh Amendment immunity from Genentech's declaratory judgement action, the Federal Circuit reversed the district court's dismissal of the action and remanded the case for further proceedings.²³⁴

The court avoided the abrogation issue in *Genentech*, but within two months of the decision, the Federal Circuit held that Congress abrogated state immunity from infringement actions in *College Savings v. Florida Prepaid Postsecondary Education Expense Board*.²³⁵ The two-part analysis focused on whether Congress expressed, in "unmistakably clear" statutory language, its intent to abrogate immunity, and whether, in doing so, Congress acted pursuant to a valid exercise of power.²³⁶ First, the court decided that in the PPVPCA, Congress clearly expressed its intent to abrogate such immunity to federal infringement actions.²³⁷ Second, after extensive analysis, the court concluded that Congress had the power to abrogate state immunity from infringement suits when enforcing the substantive provisions of the Fourteenth Amendment.²³⁸ The Federal Circuit noted that other

232. *See id.*

233. *See id.* at 1454 (rejecting UC's argument that it was managing its property for the public benefit in accordance with state law).

234. *See id.*

235. 148 F.3d 1343 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531). Judge Clevenger authored the opinion and was joined by Judges Rader and Bryson. *See id.* at 1345. In this case, College Savings sued a Florida state agency for infringing a patented investment program designed to help individuals fund their college education. *See id.* at 1345-46.

236. The Court followed the Supreme Court's analysis in *Seminole Tribe*, first deciding whether Congress unequivocally expressed intent to abrogate and then deciding whether Congress acted within its Constitutional powers. *See id.* at 1347 (citing *Seminole Tribe v. Florida*, 517 U.S. 44, 55 (1996)).

237. *See id.* (concluding that "the first step of the abrogation inquiry is plainly satisfied").

238. *See id.* at 1347-55. In deciding if Congress had abrogation power under the Fourteenth Amendment, the court considered whether the legislative objective was constitutionally legitimate and whether the means of achieving the objective were proportional to harm the legislation was attempting to prevent. *See id.* at 1348 (explaining the rational relationship test used to determine if Congress acted within its powers and quoting Chief Justice Marshall on the powers of Congress). Rejecting the state's argument that Congress may act under Section 5 only when enforcing the Equal Protection Clause, the court explained that patent infringement was equivalent to a "taking" of property. Thus, it concluded that protecting patents from state infringement was a legitimate objective under the Fourteenth Amendment's provision empowering Congress to prevent a state from taking private property. *See id.* at 1349.

circuit courts held that Congress could not abrogate immunity under the Fourteenth Amendment because by doing so, Congress would accomplish indirectly what *Seminole Tribe* forbid it from doing directly under Article I. However, the Federal Circuit explained that Congress could abrogate state immunity under the Fourteenth Amendment because it was enacted after Article I and in adopting it, the states "consented to cede a portion of their authority to the Federal Government."²³⁹ Whether Congress has the power to abrogate state immunity from *any* violation under the patent title, including declaratory judgment actions, remains unresolved.

C. Why States Should Not Be Immune From Patent Suits

Public policy, fairness, congressional intent, and the Constitution dictate that states should not be immune from suits in the federal court system that arise under the Patent Act.²⁴⁰ To provide a uniform system of protection over this exclusively federal area, Congress should be empowered to abrogate Eleventh Amendment immunity from federal patent suits under Section 5 of the Fourteenth Amendment or the Patent and Copyright Clause in Article I. Alternatively, Congress should be able to condition a state's participation in the patent system on its consent to sue and be sued in federal court for all violations of patent law.²⁴¹

Guided by *City of Boerne v. Flores*, the court next addressed proportionality, deciding whether the PPVPRCA was an appropriate means to prevent states from depriving patentees of their property interest. See *id.* at 1352-55 (discussing *City of Boerne v. Flores* and the Fifth Circuit's holding that the Religious Freedom Restoration Act ("RFRA") was unconstitutional because Congress tried to legislate the substance of the Fourteenth Amendment by requiring states to show a compelling interest when enacting legislation that imposed a burden on religious exercise). Distinguishing the PPVPRCA from RFRA, the court decided that the burden of the PPVPRCA was small and not disproportionate with the objective of preventing patent holders from enforcing their patents against infringing states. See *id.* at 1355 ("The [PPVPRCA] thus achieves the congruence between the injury to be prevented and the means adopted to remedy the injury that distinguishes a permissible, remedial exercise of Congress' power under the Fourteenth Amendment from an impermissible extension of the substance of the Fourteenth Amendment rights themselves.").

239. See *id.* at 1351-52 (listing cases from other circuits that addressed abrogation of immunity under the Fourteenth Amendment).

240. But see Gerald B. Dodson, *Emerging IP Issues in the Wake of Seminole Tribe*, 490 PRAC. L. INST./PATENT LITIG. 179 (1997) (arguing that states should be immune from infringement and declaratory judgment actions after *Seminole Tribe*); Weitzman, *supra* note 23, at 332-34 (arguing, prior to *Seminole Tribe*, that states should be immune from patent and copyright suits). Dodson represented UC in its appeal, and many of his arguments are explained in UC's brief. See *Genentech*, 143 F.3d at 1448; see also *supra* notes 216-18 and accompanying text. Weitzman believed that state immunity from federal suits was fundamental to the "structure of federalism" where a unilateral statutory abrogation of state immunity would undermine federalism and render the Eleventh Amendment "a practical nullity." See Weitzman, *supra* note 23, at 332-34.

241. Courts and scholars have suggested alternatives to subjecting states to patent suits under abrogation and implied waiver theories. See *Seminole Tribe v. Florida*, 517 U.S. 44, 72 n.16 (1996) (indicating that individuals can seek injunctive relief against state officials); Jacobs

1. *Fairness and public policy dictate that states should not be immune from patent suits*

As a matter of public policy and fairness, states should not be immune from any suit arising under patent law. Whether the Constitution allows Congress to abrogate state immunity as to all patent actions or to condition a state's participation in the patent process upon the state's consent to suit in federal court is a more complicated issue.

Article I, Section 8, Clause 8 empowers Congress to "[p]romote the Progress of Science and useful Arts, by securing for limited Times to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."²⁴² To promote science and technology, Congress must enforce valid patent rights as an incentive for inventors to continue to develop technologies.²⁴³ In keeping with this obligation, Congress also should not allow states to enforce invalid patent rights. Congress, therefore, must allow those interested in promoting science to question the validity of a state-owned patent. The promotion of science will be stifled if a state's threats of an infringement suit based on an invalid patent prevent those who are developing a technology from pursuing the invention. The right to enforce a valid patent against a state by allowing an infringement claim to proceed against the state, and the right to prevent a state from enforcing an invalid patent by allowing a declaratory judgment action against the state, are equally important rights. It is crucial to consider both of these rights when determining the scope of Eleventh Amendment immunity afforded to states in patent suits.

In abrogating state immunity from patent suits under the PPVPRCA, Congress intended to create a uniform system in which states were afforded the same rights, remedies and restrictions as

Wind Elec. Co. v. Florida Dep't of Trans., 919 F.2d 726, 728 (Fed. Cir. 1990) (arguing that a patent holder could seek relief by submitting a claims bill to the state legislature or by instituting a "takings" claim against the infringing state); Dodson, *supra* note 240, at 236-39 (claiming that patent owners must seek post-deprivation remedies in state courts and legislatures, and only if this fails will they be deprived of due process and be entitled to a remedy under the Fourteenth Amendment); Weitzman, *supra* note 23, at 333-34 (suggesting that Congress could create concurrent jurisdiction between federal and state law over patent suits but recognizing resultant losses in uniformity and judicial expertise).

242. U.S. CONST. art I, § 8, cl. 8.

243. If an exclusive right to a patent did not exist, individuals who devoted time, money, and energy in pursuing an invention would not reap the benefits of their labors because other individuals could immediately take the patent owner's invention and use it for their own gain. The exclusive right is limited in duration so that eventually, upon its entry into the public domain, others may exploit the technology without paying royalties under a licensing agreement.

private citizens.²⁴⁴ Congress realized that affording states immunity under the Eleventh Amendment resulted in the possibility that a state could violate a patent holder's allegedly exclusive rights by infringing, and the patent holder would have no remedy.²⁴⁵ This result could discourage inventiveness and prevent the progress of science.²⁴⁶ Similarly, a state patent holder could threaten to file an infringement suit against a private party, and the party would be unable to resolve the matter by seeking a declaratory judgment that the state patent was invalid and not infringed.²⁴⁷ The party would waste considerable time, energy, and money in continuing to develop a technology if the state followed through on its threat and a court decided that the private party infringed the state's patent.²⁴⁸ To avoid this risk, the party could abandon the project despite the belief that the patent was invalid, thereby losing the time, energy and money previously spent developing the technology.²⁴⁹ In amending the patent statutes, Congress ultimately altered an inequitable system that allowed a state to sue a private party for patent infringement or for a declaratory judgment but did not afford a private party similar remedies.²⁵⁰

State immunity from infringement suits, declaratory judgment actions, and any other actions arising under the patent code must continue to be abrogated or waived in order to avoid the consequences of the inequitable pre-1992 system.²⁵¹ Because states

244. See *supra* Part II.B (discussing the PPVPRCA).

245. See *supra* notes 2-6 and accompanying text.

246. See *supra* notes 153-56 and accompanying text.

247. In the PPVPRCA's legislative history, the Senate focused on infringement actions and, aside from inserting statutory language that abrogated immunity as to all patent laws, the legislative history ignored other claims. See S. REP. NO. 102-280 at 1 (1992), *reprinted in* 1992 U.S.C.A.N. 3087, 3087. Nevertheless, if Congress must protect patent holders from infringement by enforcing valid patents, it follows that Congress should not enforce invalid patents, and therefore must allow actions seeking a declaration that a patent is invalid and not infringed.

248. See Corrected Brief for Appellant, *supra* note 196, at 24-25 (arguing that the threat of an infringement suit deprived Genentech of a "cognizable property interest") (citing *Arrowhead Indus. Water, Inc. v. Ecolochem, Inc.*, 846 F.2d 731, 734-35 (Fed. Cir. 1988)). The *Arrowhead* court recognized that the Declaratory Judgment Act provides a resolution when a patent owner threatens an alleged infringer with a lawsuit. See *Arrowhead*, 846 F.2d at 734-35.

249. See Corrected Brief for Appellant, *supra* note 196, at 24 (describing how Genentech had built a business on the human growth hormone before UC threatened an infringement suit).

250. Cf. *supra* note 139 and accompanying text (describing patent cases prior to the PPVPRCA in which states were held to be immune from declaratory judgment actions).

251. Many of the alternative proposals to replace congressional abrogation and waiver of state immunity from patent suits do not create a truly uniform or coequal patent system. For example, if a state official is not violating a patent law, or if an individual erroneously pursues the state rather than the state official, the *Ex parte Young* exception to immunity does not apply. See Brief for Intervenor, *supra* note 197, at 16 n.4 (noting that Genentech failed to name individual state officials, and the district court denied Genentech's request to amend the complaint, thereby precluding Genentech from obtaining declaratory relief against state

reap the benefits²⁵² of patent laws, these laws should be applied equally to states, companies, and individuals.²⁵³ If Congress or the courts allow states to infringe upon a patent or to enforce invalid patents without the fear of facing an infringement or declaratory judgment action, there will be less of an incentive to pursue technological advancements.²⁵⁴ Unfortunately, although the Federal Circuit recently concluded that both abrogation and implied waiver limited state immunity from suits arising under the patent code, the Supreme Court eventually may decide that Congress does not have the constitutional power to abrogate immunity given the Court's recent, limiting decision in *Seminole Tribe*.²⁵⁵

2. *Congress has the constitutional authority to subject states to all suits arising under the Patent Act*

Despite the Court's expansion of immunity in *Seminole Tribe*, Congress should retain the ability to subject states to all suits arising under patent law. Assuming that patents are property under the

officials under the *Ex parte Young* doctrine). State claims and takings actions may offer relief to a patent holder claiming that the state is infringing, but these alternatives do not provide relief to an allegedly infringing party who seeks declaratory relief. Concurrent jurisdiction might provide a remedy against states in state courts to both patent holders and alleged infringers, but only at the expense of uniformity and judicial expertise. See Weitzman, *supra* note 23, at 333-34.

Allowing Congress to abrogate or waive state immunity under the Fourteenth Amendment for all violations of the patent laws is the best solution. By abrogating or waiving state immunity, Congress would retain the uniformity and judicial expertise currently available in the Federal Circuit and would maintain a coequal system of protection under the patent code. See 28 U.S.C. § 1295(a) (1994) (instituting a federal court with exclusive appellate jurisdiction over patent cases); S. REP. NO. 102-280, at 9.

252. The University of California filed nearly 400 patent applications, received over 120 patents, and garnered over \$50 million in royalties on its patents in 1994. See V. Slind Flor, *Capital Legal Posts Sinecures No More*, NAT'L L.J. 1, Aug. 26, 1996, cited in Corrected Brief of Appellant, *supra* note 196, at 26; see also *Genentech v. Regents of the Univ. of Cal.*, 143 F.3d 1446, 1454 n.6 (Fed. Cir.) (acknowledging the magnitude of UC's patent-related commercial activity), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731).

253. Cf. *supra* note 154.

254. See *supra* note 214 (referencing *Arrowhead* and arguing that the threat of an infringement suit was injurious to Genentech). The following facts are particularly disturbing. The district court first conceded that by filing an infringement claim, UC had consented to suit in the California district court. The district court then decided that the discovery from the Indiana action was applicable to the California action because the cases were "mirrors" of one other. Nevertheless, the district court denied that UC consented to be a defendant in the Indiana action, even though UC followed through on its threat to file an infringement claim on the hGH patent only one day after Genentech sought a declaration that the patent was invalid. See *Genentech, Inc. v. Regents of the Univ. of Cal.*, 939 F. Supp. 639, 645-46 (S.D. Ind. 1996), *rev'd in part and remanded*, 143 F.3d 1446 (1998). Instead of resolving the matter through a judicial decision on the validity of the patent, the parties spent a great deal of time, effort and money litigating a variety of other issues. Ultimately, however, if UC can seek protection of the patent system by filing an infringement claim, it is only fair that UC is equally amenable to suits against it by individuals alleging that UC is infringing a patent or that UC's patent is invalid and not infringed.

255. See *supra* Part I.C.

Fourteenth Amendment, the Supreme Court should uphold Congress' power from abrogate state immunity from infringement suits in *College Savings*. Because the states ratified the Fourteenth Amendment well after Article I, the states ceded some authority to the Federal Government. Thus, Congress' power to abrogate state immunity when enforcing the substantive provisions of the Fourteenth Amendment should not be limited by the *Seminole Tribe* decision. Nevertheless, the impending resolution of the infringement issue does not resolve an issue of even greater complexity: Congress' ability to abrogate or constructively waive sovereign immunity from declaratory judgment actions. The Court therefore should grant certiorari in *Genentech* or a similar case in an attempt to clarify further its Eleventh Amendment jurisprudence on abrogation and implied waiver.

The *Seminole Tribe* decision did not expressly overrule *Fitzpatrick*,²⁵⁶ which allowed Congress to abrogate state immunity in enforcing the substantive provisions of the Fourteenth Amendment.²⁵⁷ One provision of the Fourteenth Amendment allows Congress to prevent states from depriving an individual of property without due process.²⁵⁸ Because federal courts have recognized patents as a cognizable property interest,²⁵⁹ Congress constitutionally may abrogate state immunity if a patent holder alleges in an infringement suit that a state has deprived him of his property.²⁶⁰

In contrast, in a declaratory judgment action, the state owns the patent. Whether the party seeking the declaration has a protectable property interest is therefore a matter of judicial interpretation. Because the party likely spends a considerable amount of time and money developing the technology prior to and perhaps even during the threat of infringement, the Court should recognize the prior development effort and the technology resulting from the effort as a

256. See *Seminole Tribe v. Florida*, 517 U.S. 44, 59-60 (1996).

257. See *supra* Part I.B.3.

258. Under Section 5 of the Fourteenth Amendment, "Congress shall have the power to enforce, by appropriate legislation, the provisions of [the Fourteenth Amendment]," including Section 1 which provides, "nor shall any state deprive any person of life, liberty, or property without due process of law." U.S. CONST. amend. XIV; cf. *supra* note 206 and accompanying text (explaining that *Genentech* did not own the patent and therefore had no property to protect).

259. See *supra* note 130 (citing *Lemelson* and *Hercules*).

260. See *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 148 F.3d 1343, 1355 (Fed. Cir. 1998), cert. granted, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531) (concluding that Congress could abrogate state immunity from patent infringement claims under the Fourteenth Amendment's enforcement provision), *aff'd* 948 F. Supp. 400, 425 (E.D.N.J. 1996).

protectable property interest.²⁶¹ If the Court does not recognize such a property interest, however, Congress might not be empowered to abrogate state immunity from declaratory judgment actions.

The *Seminole Tribe* Court expressly eliminated Congress' authority to abrogate state immunity under the Commerce Clause,²⁶² and the scope of *Seminole Tribe's* expansion of immunity may encompass the elimination of Congress' abrogation authority under any Article I clause, including the Patent Clause.²⁶³ If courts interpret *Seminole Tribe* expansively, a state may be immune from actions seeking a declaration that a state-owned patent is invalid and not infringed.²⁶⁴ State immunity would result in an inequitable system, however, and would impair the promotion of technology.

If judicial interpretations eliminate the possibility of abrogating state immunity from declaratory judgments, the states should be amenable to all suits arising under the patent code based on the implied waiver doctrine.²⁶⁵ Because a state participates in, gains economic benefits from, and seeks protection under the patent system, a state should be deemed to have consented to patent suits in federal court. The implied waiver doctrine in *Parden* arose from a conditional waiver of immunity from federal suits based on Congress' commerce power.²⁶⁶ In *Seminole Tribe*, the majority eliminated the possibility of abrogating immunity under the commerce power, but asserted that abrogation and waiver were completely unrelated.²⁶⁷ Although it seems absurd that *Seminole Tribe* might allow Congress to do indirectly what it cannot do directly,²⁶⁸ the Supreme Court has not

261. See *supra* note 214 (explaining Genentech's argument that it built its business on the human growth hormone technology and that the threat of an infringement suit deprived it of a property interest).

262. See *supra* Part I.C.1.

263. In his *Seminole Tribe* dissent, Justice Stevens seems to indicate that the majority's decision may protect states from all patent suits. See *Seminole Tribe v. Florida*, 517 U.S. 44, 77 n.1 (1996) (Stevens J., dissenting). But see *supra* notes 222-23 and accompanying text (explaining the United States' position that *Seminole Tribe* did not destroy Congress' ability to abrogate state immunity under all Article I powers).

264. See *Genentech, Inc. v. Regents of Univ. of Cal.*, 939 F. Supp. 639, 641 (S.D. Ind. 1996) (deciding that a state university is immune to a declaratory judgment suit arising under the patent laws), *rev'd in part and remanded*, 143 F.3d 1446 (Fed. Cir.), *petition for cert. filed*, 67 U.S.L.W. 3337 (U.S. Nov. 3, 1998) (No. 98-731).

265. See *supra* Part I.B.2 (presenting cases on the development and use of the implied waiver doctrine).

266. See *supra* notes 64-72 and accompanying text (documenting the creation of the doctrine of implied waiver).

267. See *supra* Part I.C.2.

268. See *College Sav. Bank v. Florida Prepaid Postsecondary Educ. Expense Bd.*, 948 F. Supp. 400, 419 (E.D.N.J. 1996) (insisting that *Seminole Tribe* overruled *Parden* by implication and therefore Congress does not have the power to abrogate or constructively waive state immunity), *aff'd on other grounds*, 148 F.3d 1343 (Fed. Cir. 1998), *cert. granted*, 67 U.S.L.W. 3258, 3279 (U.S. Jan. 8, 1999) (No. 98-531).

explicitly overruled *Parden*.²⁶⁹ Congress therefore remains authorized under *Parden* to condition a state's participation in commercial activity on its consent to suit in federal court. Thus, if a state participates in the patent process and exercises its rights, the Court should follow the Federal Circuit and hold that the state voluntarily consented to suit in federal court for all claims arising under the Patent Act, including declaratory judgment actions.

CONCLUSION

The Supreme Court's decision in *Seminole Tribe v. Florida* may have drastically expanded the scope of state immunity from patent suits, although the precise status of state immunity currently is unclear. The United States Court of Appeals for the Federal Circuit recently limited the scope of Eleventh Amendment immunity from patent infringement suits under the abrogation theory²⁷⁰ and declaratory judgment suits under the implied waiver theory.²⁷¹ The Supreme Court will alleviate some confusion concerning Congress' ability to abrogate state immunity upon issuing an opinion in the *College Savings* infringement action. However, the Court should clarify the status of the doctrine of implied waiver by granting certiorari in the *Genentech* declaratory judgment action or a similar case involving patent, copyright, antitrust, bankruptcy law, or other area of law under exclusive federal jurisdiction. Given the history of the Supreme Court's interpretation of Eleventh Amendment immunity, however, any resolution probably will not endure. One only can hope the congressional power to provide a uniform system of protection and remedies through the Patent Act survives, enabling Congress to promote effectively the progress of science.

269. See *supra* note 221 (noting that the United States argued that implied waiver survived *Seminole Tribe*).

270. See *supra* 235-38 and accompanying text (describing the Federal Circuit's 1998 *College Savings* decision).

271. See *supra* notes 224-34 and accompanying text (describing the Federal Circuit's 1998 *Genentech* decision).